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ELECTION 2004:

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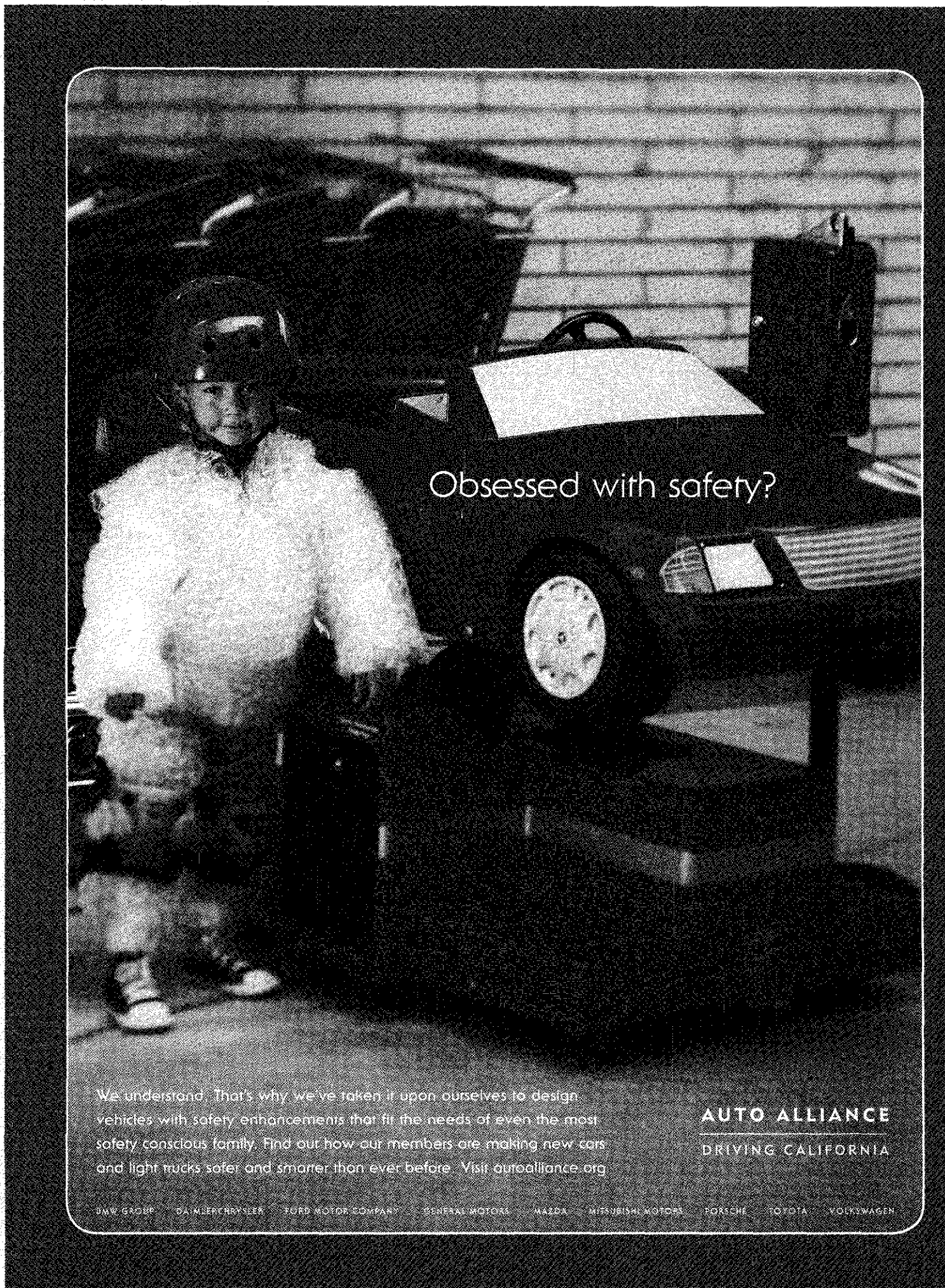
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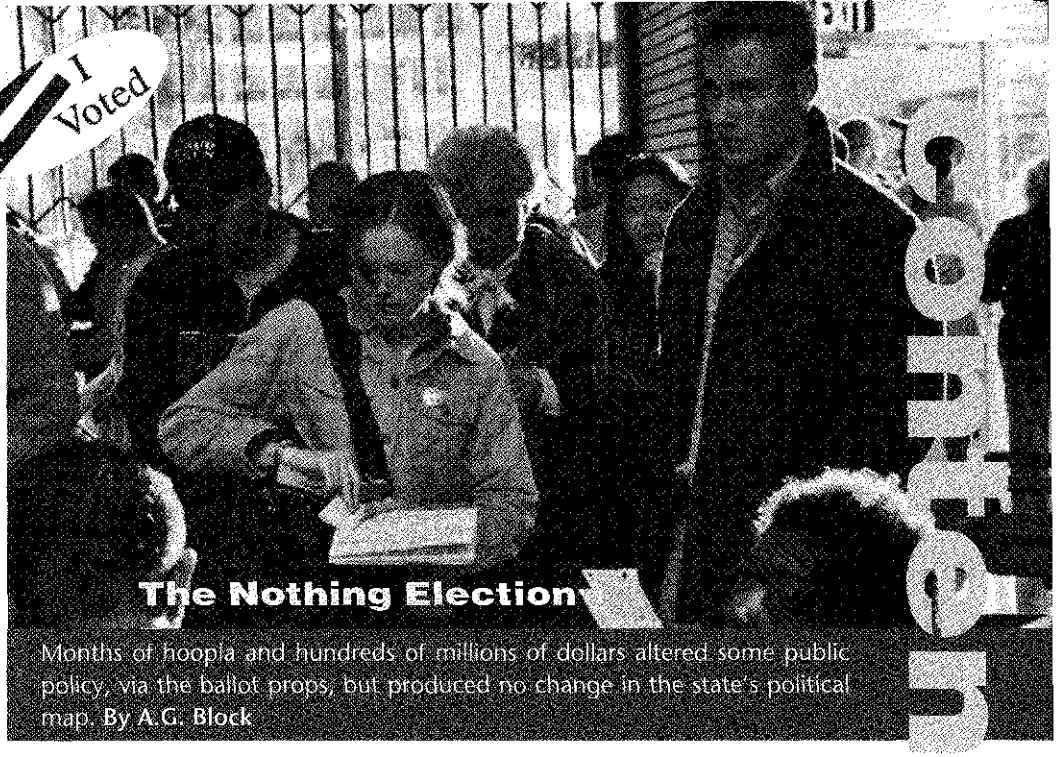
from the editor

A uncertain election

California held an election last month, with uncertain results in terms of public policy and politics. Republicans made no headway in breaking the Democrats' grip on both the Legislature and congressional delegation, but Gov. Arnold Schwarzenegger enhanced his reputation as a focused and energetic campaigner albeit with mixed results. He moved mountains when it came to ballot measures but couldn't kick a pebble past obstacles created by the 2001 redistricting. We review it all. Also, stories by Senior Editor John Howard note the growing power of the Chamber of Commerce and its president, Allan Zaremberg. Finally, we want to acknowledge continued help from our friends. Over the past month, the Koret Foundation and Santa Barbara Co. Supervisor-elect Brooks Firestone each provided $5,000 to help fund *Journal* operations, while Southern California Edison underwrote subscriptions to 1,010 school superintendents throughout California. We are deeply appreciative of their efforts and support.

A. G. Block



Cover photo: Waiting in line to vote in Los Angeles, 11/2/04, Ric Francis, AP Wideworld Photos

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Chamber Ascendant
Arnold Schwarzenegger begged the CA Chamber for its endorsement during the 2003 recall. It broke tradition to comply and since has compiled an enviable legislative scorecard.
By John Howard

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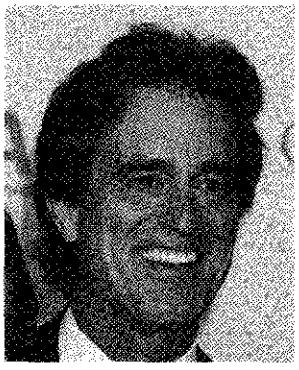
umbrage

On their way. A pair of locals took very different paths to victory this fall. In Santa Monica, another member of the Kennedy clan launched a political career with a noisy, high-profile campaign. Bobby Shriver, brother of Maria, was elected to the city council with help from his family. Maria walked precincts; his mother Eunice Shriver and uncle Ted Kennedy showed up for fund raisers. That's a lot of firepower, even for star-sotted Santa Monica. Shriver, chairman of the state Parks and Recreation Commission, denies any ambition for higher office. "If I did," he told the *Los Angeles Times*, "I wouldn't have started when I was 50." That's about when Ronald Reagan started, but he aimed a little higher out of the chute. Meanwhile, Steve Rocco won a spot on the Orange Unified School District board without the benefit of any campaign at all, beating a favored incumbent. Even more bizarre, Rocco, 53, refused to surface *after* the election, refusing calls from district officials and the media. An intermediary claims Rocco will surface on Dec. 9 at his swearing-in ceremony.



Bobby Shriver

No good innovation goes unpunished. San Francisco has endured legendary voting snafus in years past, including ballot boxes floating in the Bay. This year, it tried a new system designed to eliminate runoffs in municipal elections. Voters "ranked" their candidates (1, 2 and 3). If no candidate nailed down a majority, the one with the lowest total fell through a trap door and his or her votes were redistributed to survivors — based on the voter's second or third choices. A computer glitch, perhaps inspired by the large turnout, caused the system to malfunction, postponing results of several supervisorial races for weeks. In addition, the *San Francisco Chronicle* reported that many older Asian voters may have failed to designate a second or third choice because they did not fully understand the system.

Getting Fryed

In San Diego, a surprise intruder mugged contestants in the mayoral runoff between incumbent Dick Murphy and councilman Ron Roberts. Rookie councilwoman Donna Frye, running as a late write-in, tapped voter outrage over the dismal state of city finances and inspired enough support to throw the election in doubt (no winner had been declared as *CJ* went to press). Frye, who once owned a surf shop, was running neck and neck with Murphy, with Roberts third, and the county registrar could not promise a final tally before the end of November. Meanwhile, the courts have been asked to intervene because city ordinances allowing write-ins conflict with the city charter. Because Murphy served as a local Superior Court judge prior to becoming mayor in 2000, all 124 of his former colleagues took a powder on the case. A retired judge — from Imperial County — was imported to deal with it. Should she win, Frye's election would be unprecedented.

Mayoral candidate Donna Frye

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Editor: A.G. Block

Managing Editor: Claudia Buck

Senior Editor: John Howard

Contributing Editors: Lou Cannon, Sherry Bebitch Jeffe, Susan Rasky, Marc Sandalow, Dana Wilkie

Art Director: Dagmar Thompson

Art Staff: Scarlet Shin

Advertising Representative: Tim Foster (916) 552-7005

Advertising Coordinator: Erica Pahl (916) 444-2840

Founding Publisher: Thomas R. Hoeber

Board of Directors:
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Campaign Money:

Here comes the sun

When it comes to disclosure of campaign financing, some states throw open the door to full exposure. Others keep voters in the dark. In a recent nationwide look at the best/worst of campaign finance disclosure, Washington state topped the list, followed by California — moving up from 9th place last year — and Florida. The study, funded by a grant from The Pew Charitable Trusts, is a joint project of the California Voter Foundation and the Center for Governmental Studies in Los Angeles and the UCLA School of Law. The rankings were based on four criteria: campaign disclosure laws, electronic filing, the public's accessibility and the usability of campaign disclosure Web sites.

Among those still in the dark — earning solid "F's — were Alabama, Arkansas, Iowa, Mississippi, Montana, New Hampshire, Vermont and Wyoming.

REPORT CARD

Grade	# of States
A+ to A-	2
B+ to B-	6
C+ to C-	13
D+ to D-	12
F	17

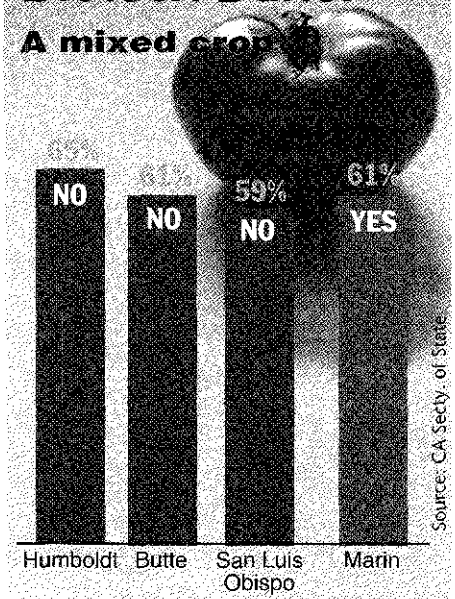
Eco-Votes:

Bleak horizon

Overlooked in the election hurricane was a quiet report ranking California's lawmakers on their environmental record. It wasn't a serene outlook. According to the CA League of Conservation Voters, legislators fell lower in almost every category on votes for environmental bills, compared to last year. The bills — to reduce diesel pollution, pay medical costs of pesticide illnesses and boost clean-air requirements at ports, among others — split along predictable party lines. In the Assembly, 16 Democrats earned perfect "100s"; in the Senate, there were eight, including departing Democratic longtimers Deirdre Alpert, John Burton and Byron Sher. The GOP went in reverse: Assembly Republicans voted down environmental bills 94% of the time while GOP senators hit 98.5%. "How is it possible in a state that leads the nation in environmental protection, 25% of our state legislators vote against the environment every single time?" said league director Susan Smartt. Ever the maverick, Gov. Arnold Schwarzenegger scored 58 percent, better than his GOP brethren, but far below Gray Davis' 100 percent score in 2003.

Biotech Bans:

A mixed crop



Reversing course on Mendocino County's historic vote in March, voters mowed down three of four ballot measures on the Nov. ballot that would have banned biotech crops. Voters in Butte, Humboldt and San Luis Obispo counties — all farmer-friendly regions — rejected bans on genetically-engineered crops. Only urban Marin County said "yes", by a 22 percent margin. Anti-biotech forces still have proposals brewing in a number of California counties — and are considering statewide legislation.

Quotables.....

"Many voters thought that choosing between Bush and Kerry was like choosing your favorite Menendez brother."

— Dan Schnur, Republican consultant speaking at a UC Sacramento Center forum

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MUCH ADO ABOUT NOT MUCH

Despite intense interest in the presidential and proposition races and some record-breaking campaign spending, very little changed in California on Election Day. The Legislature and congressional delegation remain largely unchanged — as do most of the state's persistent problems. By A.G. Block

For Californians, the day after the election provoked a nagging suspicion that eight months of campaign hoopla, anxiety and anticipation had been scripted by Rod Serling. A "Twilight Zone" election had produced virtually no change. George Bush was still president even though the state's 55 electoral votes went to John Kerry, incumbent Democrat Barbara Boxer returned to the U.S. Senate and Democrats continued to control the congressional delegation and the Legislature. It was as though Minerva had flung a colossal jigsaw puzzle several yards in the air, only to have it land with nary a piece out of place.

More significant, that $200-plus million spent in the tug of war over 16 ballot measures did little to address several of the state's most vexing problems.

Change aside, the election was instructive. It refined the boundaries of Gov. Arnold Schwarzenegger's political power, reinforcing his strengths but also exposing his limitations. And it once again showed that redistricting has erected impregnable fortresses behind which Republicans and Democrats dwell in safety. Only 14 out of 153 district contests for Congress, state Senate and Assembly generated any real competition. Moreover, not one produced an upset and only one brought about an Election Night cliffhanger.

The state elected 33 Democrats and 20 Republicans to the U.S. House of Representatives — exactly the same split as before the election. The makeup of the Legislature also remained the same: 25 Democrats and 14 Republicans in the Senate (with one vacancy in a Republican district); 48 Democrats and 32 Republicans in the Assembly. Because of term limits, however, there are 33 new faces in this most fungible of government entities — 10 in the Senate, 23 in the Assembly.

The lack of change — or even much challenge — in either the Congress or Legislature demonstrated again that redistricting works exactly the way its architects intended. Only one congressional district — the 20th around Fresno — was remotely competitive (see page 14). More to the point, only four congressional winners received less than 60% of the vote.

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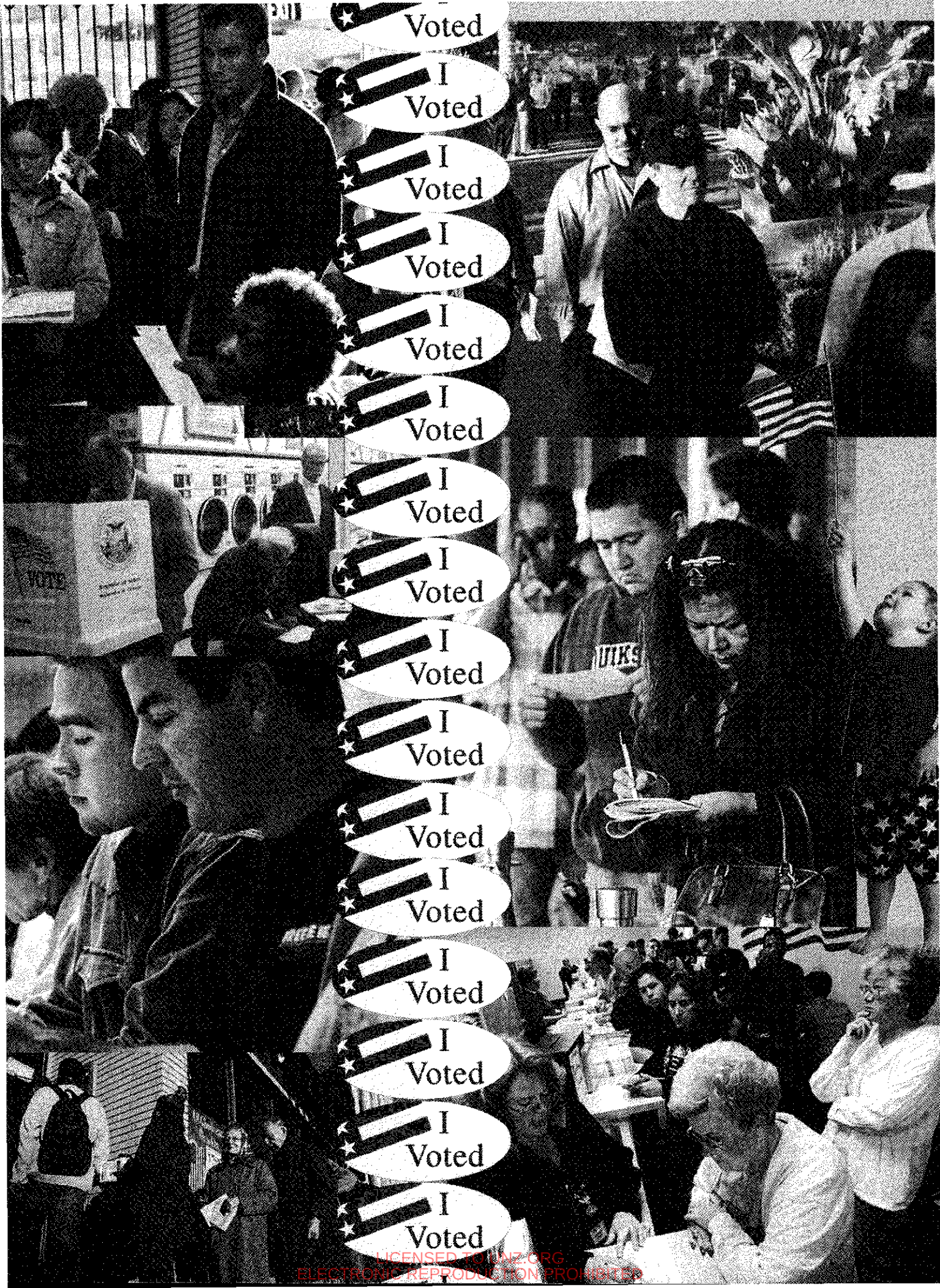

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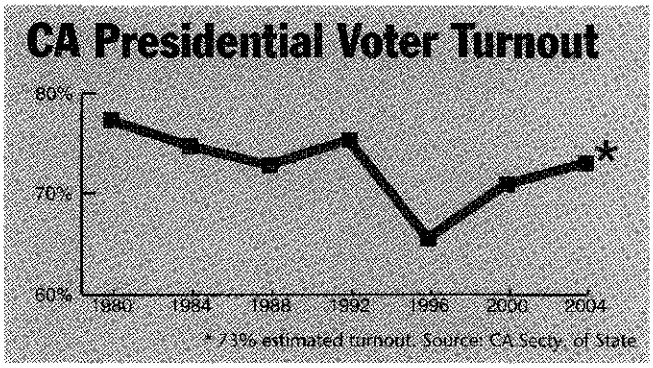

Nor was the state Legislature a beehive of campaign activity. Only 13 districts generated serious heat out of 100 in the mix (all 80 Assembly districts and half of the 40-member Senate). In the Assembly, both Republicans and Democrats took potshots at a few incumbents thought to be vulnerable, while Republicans also assaulted six open seats previously held by Democrats. Both sides came away soiled, boiled and empty-handed. In the Senate, only two races were competitive, although one — in District 5 — may have set a record for single-district spending as Democrat Mike Machado and Republican Gary Podesto laid out a combined $10 million.

When it came to money, however, the overwhelming share of campaign spending involved ballot propositions. The electorate was asked to sort out five health-care proposals and a pair of competing Indian gambling initiatives, fix the state's "three strikes" sentencing law, alter the way some class-action lawsuits are filed, revamp the system for funding local government and change the conduct of primary elections. Three others dealt with the sale of surplus state property, expansion of the public records law and collection of DNA samples from felons.

In the end, voters did little to fix severe problems, despite the opportunity afforded them to do so.

For instance, one of the state's knottiest challenges concerns the delivery of medical care to those who cannot afford health insurance. The problem is compounded by the fact that many without insurance often receive the most expensive kind of care, provided by hospital emergency rooms to those in the throes of a medical crisis. In 2003, lawmakers tried to address the situation by requiring companies with more than 50 employees to provide health coverage. Legislation to that effect was the subject of Prop. 72 — an initiative referendum seeking voter approval of the law. Voters narrowly defeated the proposal. Meanwhile, voters firmly rejected a related measure to help fund financially troubled emergency rooms by levying a surcharge on telephone bills (Prop. 67). Both proposals were supported by the medical community but opposed by the state Chamber of Commerce and its allies, including Wal-Mart and Schwarzenegger.

As a result of those twin defeats, delivery of health care to the uninsured in overburdened and under-funded emergency rooms remains on the table.

Despite contests for president and U.S. Senate, the most-watched politician in California was Schwarzenegger. For the most part, he enhanced his stature as an energetic campaigner despite his inability to elect most of the candidates he endorsed in competitive races. He saved some GOP incumbents but made no headway whatsoever in taking seats away from Democrats.

Although the governor was exposed as a paper tiger in campaigns against individual lawmakers, he was wildly successful in efforts to pass or defeat key ballot measures. For Schwarzenegger, those triumphs far outweighed his failures because they reinforced his already formidable reputation as a focused and charismatic campaigner. No contemporary California politician brings as much attention, energy and money to an issue as Arnold Schwarzenegger, and that gives the governor enormous leverage when dealing with the Legislature.

The governor single-handedly buried a pair of tribal gambling initiatives (Props. 68 and 70) and was instrumental in passing — by a huge margin — a legislative proposal to revise the way the state funds local government (Prop. 1A). Perhaps more significant was his role in the defeat of Prop. 66, which sought to ease "three strikes" sentencing in criminal cases. The initiative enjoyed a two-to-one approval rating before Schwarzenegger threw his considerable prestige behind the effort to beat it. He also backed successful efforts to limit class-action suits (Prop. 64) and fund stem-cell research (Prop. 71).

It is the Schwarzenegger who dominates the media and commands attention for his causes who will press his agenda on Democratic lawmakers next year. Should they balk or prove uncooperative, he no longer need threaten to campaign against individual members. He merely has to array his impressive talents behind an initiative to, say, reduce the Legislature to part-time status — a notion likely to haunt the dreams of majority Democrats for whom the Legislature is a power base. It could prove a thick, bristly negotiating tool as the governor heads toward re-election in 2006, one that Democrats ignore at their peril.

A.G. Block is editor of the California Journal. *Send comments to* **comments@californiajournal.org**

KEY TO RESULTS

D% = percent of Democratic votes for candidate
R% = percent of Republican votes for candidate
D# = number of Democratic votes for candidate
D = Democratic candidate
R = Republican candidate
AI = American Independent Party
G = Green Party
L = Libertarian Party
PF = Peace and Freedom Party
I = Independent
Winners are in **bold face**.

Voter percentages listed in the right column in each race may total more than 100%. That is because, in district contests for the state Senate, Assembly, Board of Equalization and U.S. House, votes cast in parts of more than one county are added together. Results from the counties are available at www.sos.ca.gov.

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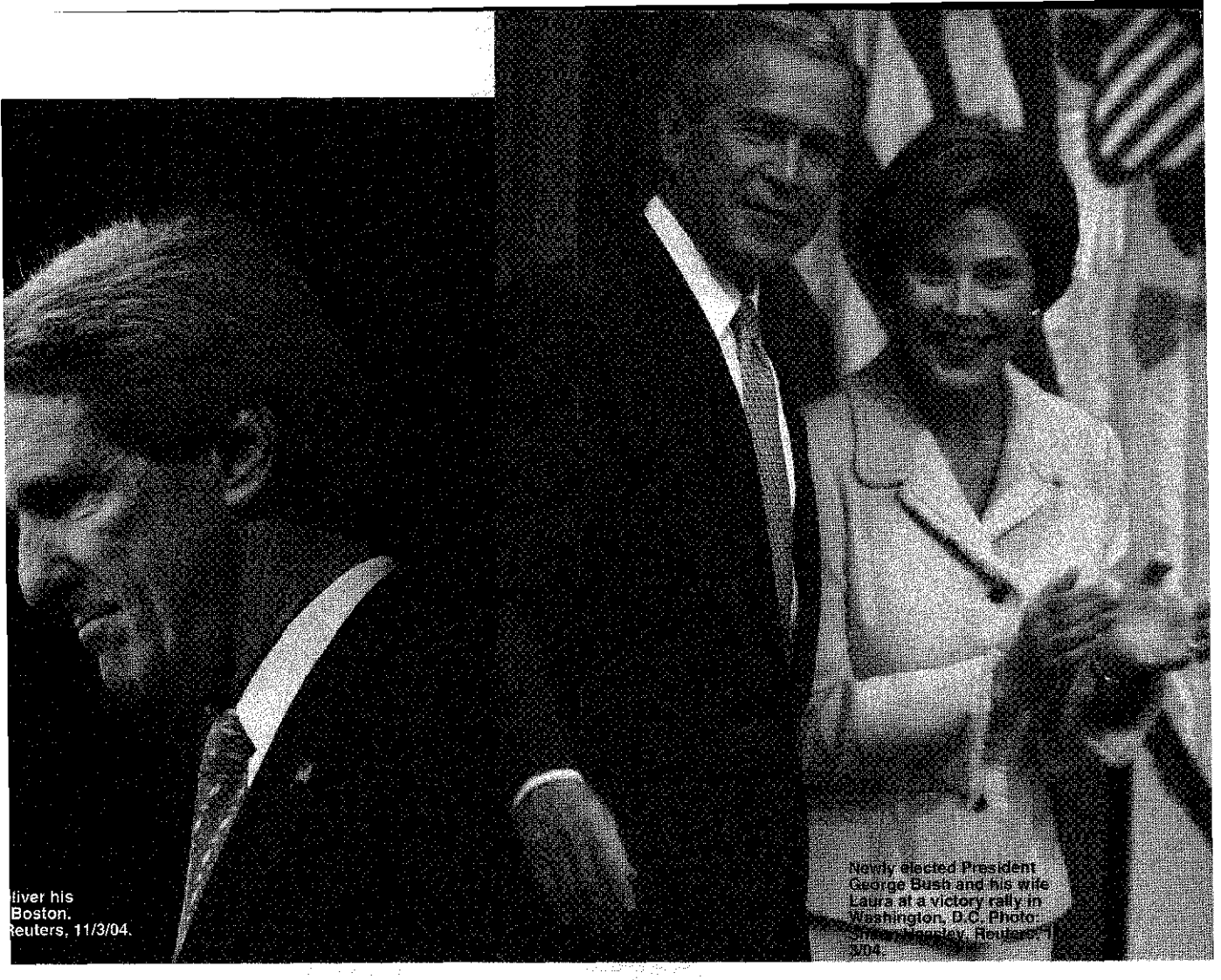

liver his
Boston.
Reuters, 11/3/04.

Newly elected President George Bush and his wife Laura at a victory rally in Washington, D.C. Photo: [illegible] Reuters, 11/3/04.

ALIFORNIA BUCKS THE ATIONAL TREND

By A.G. Block

ıe 131,000 residents of Davenport and ettendorf live beside the Mississippi River on the ıstern lip of Iowa midway between Des Moines ıd Chicago. As voters in a battleground state, ved a lot of attention. At one point in late ieorge Bush and John Kerry both spoke in Dav- *he same time*, tying up the cops and prompting ɔank robberies that made headlines around the ing the final two weeks of the 2004 presidential Bush, Kerry, and their running mates — Dick ıd John Edwards — all came to Davenport.

ɜ the final two *months* of the campaign, only d Edwards came anywhere near California, and ɔ raise money.

ıgain, California, with its trove of 55 electoral not in play. Even the presence of a popular and charismatic Republican governor did little to change an inevitable outcome or prompt any national interest in California. It went for Kerry.

Instead, the state's impact on the national election was financial and emotional.

In terms of money, California is an ATM machine for Democrats and Republicans. In the 2004 election cycle,

PRESIDENT (43% D – 35% R – 17% DS)		
Kerry (D)	6,139,403	54%
Bush (R*)	5,027,376	45%
Peroutka (AI)	24,035	0%
Cobb (G)	36,291	0%
Badnarik (L)	43,604	0%
Peltier (PF)	24,528	0%

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California gave John Kerry about $36 million, more than 10 percent of the money he raised nationally, according to politicalmoneyline.com, which tracks the flow of contributions. George Bush drew about $20 million out of the Golden State. Californians also contributed another $33 million to federal PACs, $76 million to federal parties (some of which was spent on the presidential contests) and $53 million to various federal House and Senate candidates.

But California also had an emotional impact on the 2004 election. Post-election analysis suggests that voters in swing states such as Ohio, Iowa and Michigan considered moral values critical when deciding on a president — more significant than the economy, terrorism and Iraq. It is believed that Ohio, which proved the lynchpin for Bush's re-election, went Republican because hundreds of thousands of evangelical Christians were mobilized to vote for a ballot proposition to ban gay marriage, and that 70% of them also chose Bush.

If true, then a Californian — San Francisco Mayor Gavin Newsom — may have provided the visuals for that mobilization, for it was Newsom, in defiance of California law, who last summer performed hundreds of very public, highly publicized gay marriages at City Hall. A Massachusetts law sanctioning gay marriage was the abstract notion behind the Ohio proposal, but Newsom put a face on it. In a sense, he became the Ralph Nader of 2004, a reference to the fact that Nader, as Green Party candidate for president in 2000, likely cost Democrat Al Gore the presidency by siphoning off enough votes in crucial states such as Florida to throw the election to Bush. Newsom's role in 2004 earned him a post-election scolding from U.S. Sen. Dianne Feinstein, a Newsom ally and fellow San Franciscan.

California's geographic divide was evident in the final results for president. Bush carried a wide swath of counties that extended from Oregon to Mexico and took up the entire central and most of eastern California. He also took Del Norte, Ventura, San Luis Obispo, Orange and San Diego counties along the coast. Kerry took the northern (except Del Norte) and central coasts, San Francisco Bay Area, Sacramento Delta region, Santa Barbara and Los Angeles counties and three counties along the Nevada border — Imperial, Mono and Alpine. With the exception of Alpine and Mono, which went to Bush four years ago, the state's split is nearly identical to the 2000 election.

The ethnic and gender divide was detailed in a *Los Angeles Times* exit poll the day after the election. It showed that although Bush won the Anglo vote (52%-47%), Kerry took all other ethnic groups, in some cases by substantial margins. Blacks, for instance, gave the Democrat 84% of their votes, Latinos 68% and Asians 64%. Kerry also finished ahead of Bush among both men and women.

A.G. Block is editor of the California Journal. *Send comments to* **comments@californiajournal.org**

NICE GUYS DO FINISH LAST

By A.G. Block

Looking back to the March 2004 primary, it is difficult to remember that 10 Republicans vied for the right to take on incumbent Democratic U.S. Sen. Barbara Boxer. Bill Jones won that honor, far outdistancing his two most prominent competitors — former U.S. Treas. Rosario Marin and former state Sen. Howard Kaloogian, one of the prime movers behind the 2003 recall of Gov. Gray Davis.

Barbara Boxer celebrating her victory on election night. Photo: Jeff Chiu, AP, 11/2/04.

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dy Giuliani campaigning with Bill Jones in Santa Monica. Photo: Robert Galbraith, Reuters, 9/23/04.

It was Jones' high-water mark.

When it came to the fall campaign, Jones disappeared into a political landscape alive with the pulse-pounding rhythms of presidential debates, Indian gambling, stem-cell research, three strikes and health-care reform. Ignored even by his own party, he became the invisible man.

Jones' invisibility was real, not metaphoric — made so by the lack of enough money to mount a viable, media-driven campaign. That kind of effort demands television, and Jones barely scraped up enough cash to rent a bus, let alone fund a statewide media splurge that can cost $2 million a week. Although he raised nearly $7 million, Jones used most of it to secure the nomination. In addition, he reneged on a promise to pony up $2 million in personal funds, leaving him woefully cash poor by mid-October ($500,000 on hand with debt in excess of $850,000). By campaign's end, Jones' financial misery resulted in an unenviable precedent — the first major party U.S. Senate candidate since the Cartwrights rode the Ponderosa to not air one single TV ad.

Boxer, on the other hand, raised $16 million, spent a nickel on the primary and cruised into the final weeks with $1.5 million in the bank — having already paid for television buys. She spent most of the campaign relaxed, traveling the state, meeting with clumps of voters and running positive TV spots.

From the get-go, Californians in general — and the Republican Party in particular — dismissed Jones because he could not replicate the two criteria that have proved successful of late for Republicans in statewide races: movie-star celebrity and an unlimited bankroll to spend on self-promotion. He was, in a nutshell, not Arnold Schwarzenegger.

Perhaps no Republican short of Schwarzenegger could have taken out Boxer this year in a state so unyieldingly Democratic. But the nomination was particularly unfortunate for Jones who, throughout a two-decade elective career, won plaudits from both Democrats and Republicans as a faithful, decent and highly regarded public servant. First elected to the Assembly from Fresno in 1982, he served for a dozen years, including a stint as minority leader. He later spent eight years as secretary of state.

Despite that track record, Jones has two major shortcomings as a politician, both exaggerated in 2004 — he has less charisma than a bowl of beets and he is a terrible fundraiser. Lack of charisma can be overcome (witness George Deukmejian, Pete Wilson and Gray Davis). Lack of money cannot. Because he is not blessed with enormous personal wealth, Jones' finances are at the mercy of atmospherics that drive an election season; namely, who else is asking for money and where can it be better spent. In 2004, that meant: 1) just about everyone and 2) just about anywhere.

Even with Schwarzenegger's endorsement during the primary and the "I'm toast" sticker slapped on the incumbent's back during previous elections, the contest against Boxer was considered a long shot in Democrat-dominated California, and that severely hampered Jones' ability to generate interest in his candidacy among national Republicans who had major battles to fight in states such as South Dakota, Kentucky, the Carolinas and Florida.

The campaign itself evolved under the cone of silence. The two candidates staged one debate — in August, long before most voters even realized an election was afoot. While Boxer aired a series of delicate television ads, Jones scrambled for free airtime, making the rounds of various radio talk shows that preached mostly to a GOP congregation. Polls repeatedly confirmed the conventional wisdom. Boxer led by 23 points in May, 19 points in late October. She won by 21.

With the exception of Orange and Riverside, Jones mostly won counties where nobody lives. Boxer took population centers, in some cases by astronomical majorities. She won Los Angeles County by 1 million, Alameda by 250,000 votes, Contra Costa and San Mateo by 100,000 each, San Francisco by 190,000, Santa Clara by 150,000. She even won San Diego County by 80,000. Jones won his home county of Fresno by 15,000 votes, Orange by 60,000.

Boxer was one of the few Democratic success stories on Election Night, and she now returns to a U.S. Senate where Republicans have increased their majority to 55 seats.

U.S. Senate (43% D – 35% R – 17% DS)		
Boxer (D*)	6,340,460	58%
Jones (R)	4,168,211	38%
Grundman (AI)	71,968	1%
Gray (L)	193,550	2%
Feinland (PF)	213,563	2%

A.G. Block is editor of the California Journal. *Send comments to* **comments@californiajournal.org**

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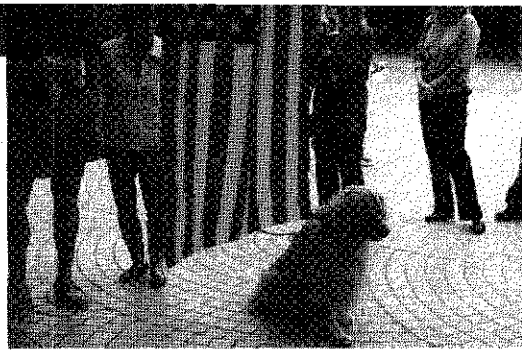
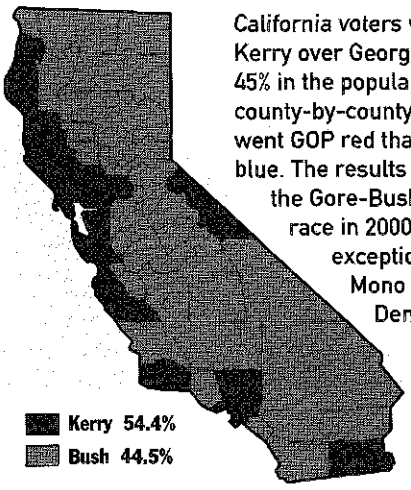
ELECTION 2004 AT A GLANCE

They came, they saw, they voted. California gained nearly 850,000 new registered voters since 2000, boosting turnout to an estimated 73%, one of the highest presidential turnouts in the last decade. In terms of party affiliation, those listed as "decline-to-state" climbed to 18% of registered voters — more than a 3% increase from four years ago.



BUSH/KERRY BY COUNTY



California voters went for John Kerry over George Bush, 54% to 45% in the popular vote. On a county-by-county basis, more went GOP red than Democratic blue. The results were identical to the Gore-Bush presidential race in 2000 with two exceptions —Alpine and Mono — that went Democratic this year.

VOTER TURNOUT IN CA'S LARGEST COUNTIES

COUNTY	REGISTERED VOTERS	TURNOUT PERCENTAGE
Los Angeles	3,972,738	72.8.2%
San Diego	1,513,300	71.2%
Orange	1,495,824	61.7%
Santa Clara	865,271	69.2%
Riverside	769,328	69.9%
Alameda	742,258	70.4%
San Bernardino	727,138	65.4%
Sacramento	650,701	58.5%
Contra Costa	504,505	71.3%
San Francisco	486,822	72.7%

TOP 5 COUNTIES BY POLITICAL PARTY REGISTRATION

The top Democratic counties were clustered mainly in the Bay Area, the GOP primarily in Northern California and decline-to-states everywhere in between. In the Green Party, the top three counties were Humboldt, Mendocino and Santa Cruz.

Democrats

Imperial	55.4%
Alameda	55.3%
San Francisco	54%
Santa Cruz	53.3%
Marin	51%

Republicans

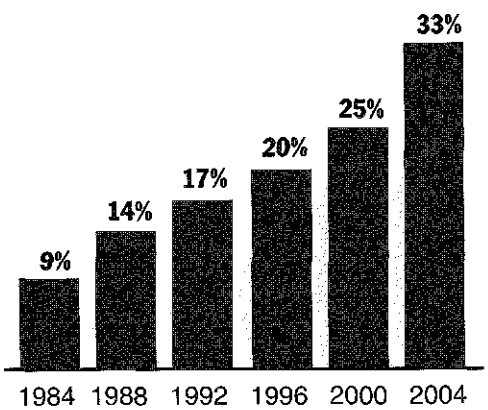
Placer	51.8%
Sutter	50%
Modoc	49.6%
Madera	49.5%
Shasta	48.9%

Decline-to-state

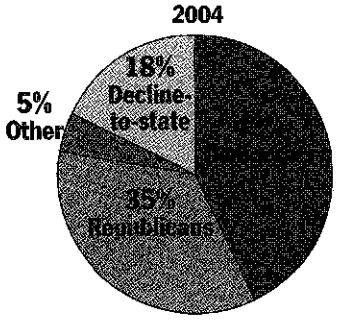
San Francisco	28.9%
Alpine	23%
Santa Clara	22.9%
Mono	22.6%
San Mateo	21.3%

ABSENTEE VOTERS ON THE RISE

Since 1992, the number of voters opting for absentee ballots has nearly doubled.



REGISTRATION BY POLITICAL PARTY



Total Registered Voters:
16.5 million

FOLLOW THE MONEY OUT OF CA

Californians gave generously to 2004 federal campaigns. Residents of Los Angeles ($47.8 million), San Francisco ($27.6 million) and Oakland ($14.2 million) were the heaviest hitters.

Amount	To Federal:
$71,176,000	Presidential candidates
$27,908,000	House candidates
$24,687,000	Senate candidates
$32,825,000	PACs
$75,748,000	Party committees
$71,330,000	"527" soft money committees
TOTAL:	$292,997,000

Sources: CA Secretary of State, PoliticalMoneyLine

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Our employees

take good care of you and we're taking *good care* of them.

At Sutter Health, we believe taking care of employees is an important part of taking care of our communities. That's why our affiliated hospitals and physician organizations are doing all they can to recognize, reward and support their employees in providing excellent patient care.

Because we value the contributions of employees, our affiliates have created opportunities for staff to share their opinions on patient care. They also provide generous health benefits. And, at a time when many organizations' pension plans in the U.S. are under-funded, our employee pension plan is fully funded, ensuring we meet employees' needs in retirement.

The past decade has been difficult for many hospitals and physician groups in California. But the combined stability of the Sutter Health network has enabled our affiliated organizations to survive and grow. Today we have highly skilled staff at the bedside, and we're arming them with high-tech tools and resources. When patient care matters, investing in our employees is the best investment we can make.

Sutter Health

Community Based, Not For Profit

The Sutter Health family includes: Alta Bates Summit Medical Center, California Pacific Medical Center, Eden Medical Center, Marin General Hospital, Memorial Medical Center, Memorial Hospital Los Banos, Mills-Peninsula Health Services, Novato Community Hospital, Palo Alto Medical Foundation including Camino Medical Group and Santa Cruz Medical Clinic, St. Luke's Hospital, Sutter Amador Hospital, Sutter Auburn Faith Hospital, Sutter Coast Hospital, Sutter Davis Hospital, Sutter Delta Medical Center, Sutter Gould Medical Foundation, Sutter Lakeside Hospital, Sutter Maternity & Surgery Center of Santa Cruz, Sutter Medical Center, Sacramento, Sutter Medical Center of Santa Rosa, Sutter Medical Foundation, Sutter Medical Foundation - North Bay, Sutter North Medical Foundation, Sutter Regional Medical Foundation, Sutter Roseville Medical Center, Sutter Solano Medical Center, Sutter Tracy Community Hospital, Sutter Warrack Hospital, and Sutter VNA & Hospice.

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CONGRESS

DISTRICT 1 (45% D – 30% R – 18% DS)

Thompson (D*)	**164,213**	**68%**
Wiesner (R)	69,099	28%
Elizondo (G)	11,752	5%

DISTRICT 2 (34% D – 46% R – 15% DS)

Johnson (D)	77,285	33%
Herger (R*)	**156,864**	**67%**

DISTRICT 3 (36% D – 44% R – 15% DS)

Castillo (D)	75,212	35%
Lungren (R)	**132,780**	**62%**
Tuma (L)	7,171	3%

Conservative Republican Dan Lungren left Congress in 1988 to pursue statewide office in California, with mixed results. First elected to the House from Long Beach in 1978, he served for a decade before being tapped by then-Gov. George Deukmejian as state treasurer after the death of the Democratic incumbent — Jesse Unruh. But Lungren's appointment ran afoul of liberal Democrats in the state Senate, who refused to confirm him. Lungren subsequently was elected to two terms as attorney general (1990, 1994) before losing the governorship to Democrat Gray Davis in 1998 in a campaign distinguished by its ineptness. This year, Lungren resurfaced after a six-year hiatus to win a taut, grubby congressional primary that featured state Sen. Rico Oller and Mary Ose, sister of incumbent Republican Doug Ose, who opted not to run for a fourth term. Lungren won a squeaker over Oller, then coasted to victory in November.

DISTRICT 4 (31% D – 49% R – 16% DS)

Winters (D)	97,558	35%
Doolittle (R*)	**183,762**	**65%**

DISTRICT 5 (51% D – 26% R – 17% DS)

Matsui (D*)	**103,563**	**71%**
Dugas (R)	33,489	23%
Driscoll (G)	5,164	4%
Reiger (PF)	2,866	2%

Election night was not kind to Bob Matsui. Oh, sure, he blistered through his re-election, but Matsui also chairs the Democrats' congressional campaign committee — which lost ground to Republicans in the House.

DISTRICT 6 (51% D – 25% R – 18% DS)

Woolsey (D*)	**177,131**	**72%**
Erickson (R)	68,327	28%

DISTRICT 7 (56% D – 23% R – 17% DS)

Geo.Miller (D*)	**142,075**	**76%**
Hargrave (R)	44,306	24%

Mr. "Gee I didn't know the casino would be that big" Miller returns to Congress for the 16th time. That's 30 years and counting, if you're counting.

DISTRICT 8 (55% D – 11% R – 28% DS)

Pelosi (D*)	**171,700**	**85%**
DePalma (R)	23,988	12%
Dowell (PF)	7,188	4%

Nancy Pelosi will have to wait another two years to become the first Californian and the first woman to serve as Speaker of the House. Or longer.

DISTRICT 9 (62% D – 10% R – 20% DS)

Lee (D*)	**159,064**	**84%**
Bermudez (R)	24,848	13%
Eyer (L)	6,097	3%

DISTRICT 10 (45% D – 34% R – 17% DS)

Tauscher (D*)	**155,138**	**66%**
Ketelson (R)	81,029	34%

DISTRICT 11 (37% D – 46% R – 14% DS)

McNerney (D)	88,393	39%
Pombo (R*)	**139,697**	**61%**

Richard Pombo, who chairs the House Resources Committee, was behind a controversial October mailer touting Pres. George Bush that was sent to voters in several Midwest swing states. Environmentalists grumped that Pombo had violated his franking privileges. Voters here didn't care.

DISTRICT 12 (51% D – 22% R – 23% DS)

Lantos (D*)	**146,240**	**68%**
Garza (R)	45,577	21%
Gray (G)	19,742	9%
Harrison (L)	4,404	2%

DISTRICT 13 (52% D – 21% R – 22% DS)

Stark (D*)	**117,915**	**77%**
Bruno (R)	40,650	25%
Stroberg (L)	7,211	4%

DISTRICT 14 (45% D – 28% R – 22% DS)

Eshoo (D*)	**141,453**	**70%**
Haugen (R)	53,466	26%
Holtz (L)	7,413	4%

DISTRICT 15 (44% D – 29% R – 23% DS)

Honda (D*)	**110,120**	**72%**
Chukwu (R)	43,632	28%

DISTRICT 16 (48% D – 26% R – 22% DS)

Lofgren (D*)	**94,806**	**71%**
McNea (R)	35,245	26%
Welch (L)	3,722	3%

DISTRICT 17 (51% D – 28% R – 16% DS)

Farr (D*)	**109,049**	**67%**
Risley (R)	46,724	29%
Glock-Grueneich (G)	2,699	2%
Smolen (L)	1,857	1%
Williams (PF)	1,987	1%

DISTRICT 18 (48% D – 39% R – 9% DS)

Cardoza (D*)	**90,218**	**68%**
Pringle (R)	43,502	33%

Monotonous, isn't it?

DISTRICT 19 (37% D – 48% R – 11% DS)

Bufford (D)	55,146	27%
Radanovich (R*)	**133,572**	**66%**
Mullen (G)	13,362	7%

DISTRICT 20 (52% D – 37% R – 9% DS)

Costa (D)	**52,108**	**53%**
Ashburn (R)	46,690	47%

In late summer, confident Democrats said the Democratic Central Campaign Committee in Washington, D.C., likely would not put any money into the effort to elect former state Sen. Jim Costa. It didn't seem worth the investment — unless trouble developed. Costa was running for the seat vacated by another Democrat, incumbent Cal Dooley, who did not seek re-election. A 24-year veteran of the state Legislature, Costa enjoyed wide name recognition throughout the three-

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Costa

Ashburn

county district, which includes miles of farmland sandwiched between suburban areas near Fresno in the north and Bakersfield in the south. In addition, he had raised substantially more money than his GOP opponent, state Sen. Roy Ashburn, and sat atop a double-digit advantage in voter registration. Moreover, internal polls showed Costa up by as much as 20 points. In the third week of October, however, the DCCC strafed the district with $415,000 worth of TV ads. It was in response to a $1.5 million, month-long television barrage on behalf of Ashburn funded by the National Republican Congressional Committee. The ads hammered Costa as too liberal for this Central Valley district, regardless of registration figures and historic voting patterns, accusing him of helping raise taxes as a legislator and playing games with his name — "Costa is gonna cost ya." Costa fired back, blistering Ashburn's anti-gay, anti-abortion, anti-tax and pro-gun philosophy as too conservative for the district. He also singled out Ashburn as the sole legislative vote against a state tax check-off for breast-cancer research and touted his own record on water, agriculture and consumer issues. Ashburn received strong support from Republicans eager to take a seat away from Democrats *somewhere* in California. Pres. George Bush endorsed him, and Vice Pres. Dick Cheney attended a summer fundraiser, as did Spkr. of the House Dennis Hastert. Gov. Arnold Schwarzenegger also campaigned for Ashburn, described by *The Fresno Bee* as a "pit bull" on the campaign trail. In the end, NRCC money made the district competitive and forced nervous Democrats to respond. But it wasn't enough to overcome Costa's natural advantages. Ashburn won Kings County convincingly (60%), but he lost just as convincingly in Fresno County (61%) — with half again as many voters. Costa won Kern County (56%) to seal the victory. As Costa packs for Washington, Ashburn returns to the Senate, where he had a free ride in 2004.

DISTRICT 21 (35% D – 50% R – 12% DS)		
Davis (D)	44,236	27%
Nunes (R*)	**120,977**	**73%**

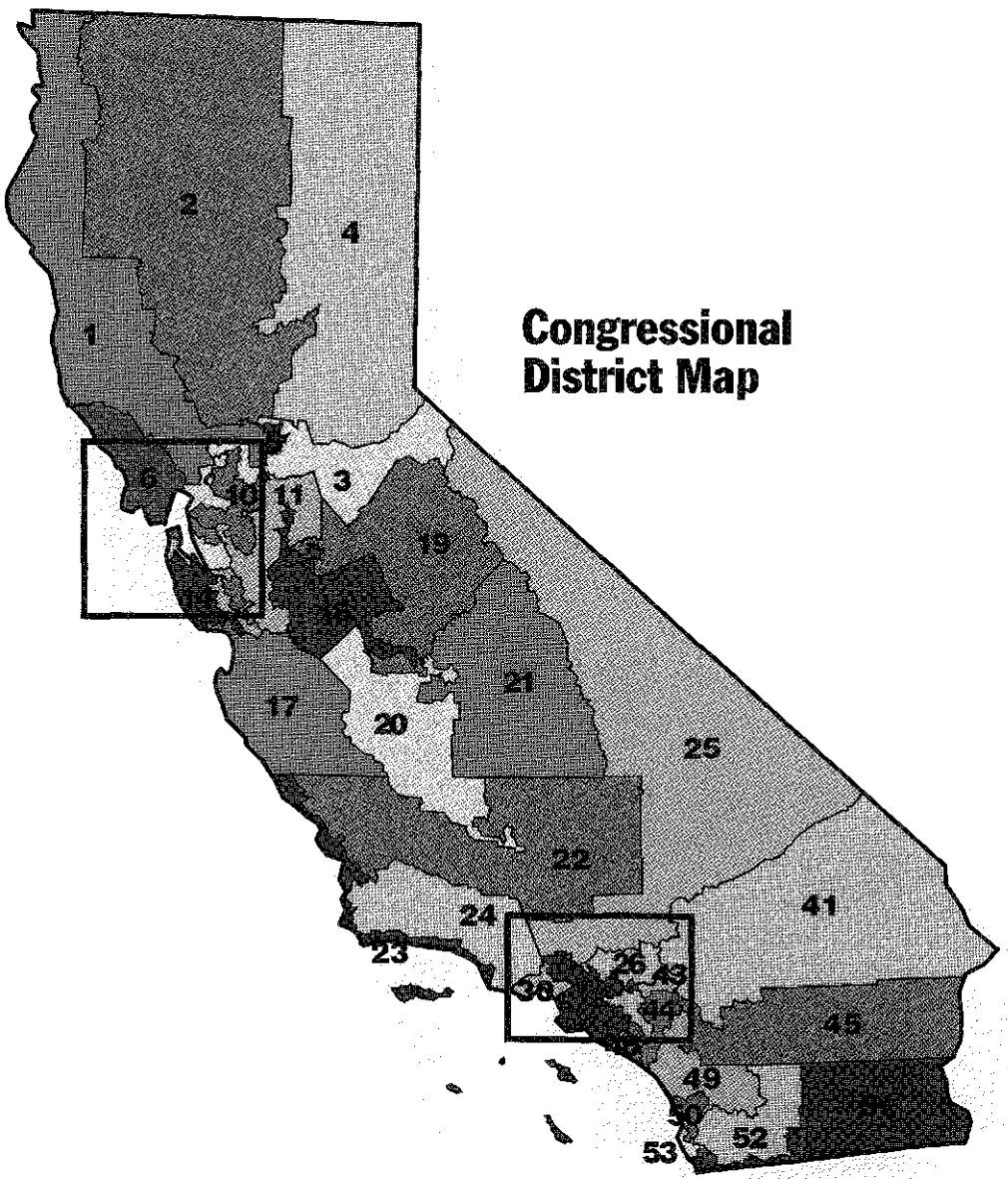
DISTRICT 22 (30% D – 52% R – 13% DS)		
Thomas (R*)	**179,793**	**100%**

Now, here was a rip-snorter of a campaign. Bill Thomas wins his 14th term and the right to return to Washington, where he holds one of Congress' most powerful jobs — chairman of the House Ways and Means Committee.

DISTRICT 23 (45% D – 32% R – 18% DS)		
Capps (D*)	**109,608**	**64%**
Regan (R)	58,493	34%
Favorite (L)	4,633	3%

If nothing else, the Libertarian candidate could always claim to be the favorite.

DISTRICT 24 (34% D – 46% R – 15% DS)		
Wagner (D)	65,893	34%
Gallegly (R*)	**120,103**	**62%**
Bechman (G)	6,513	3%



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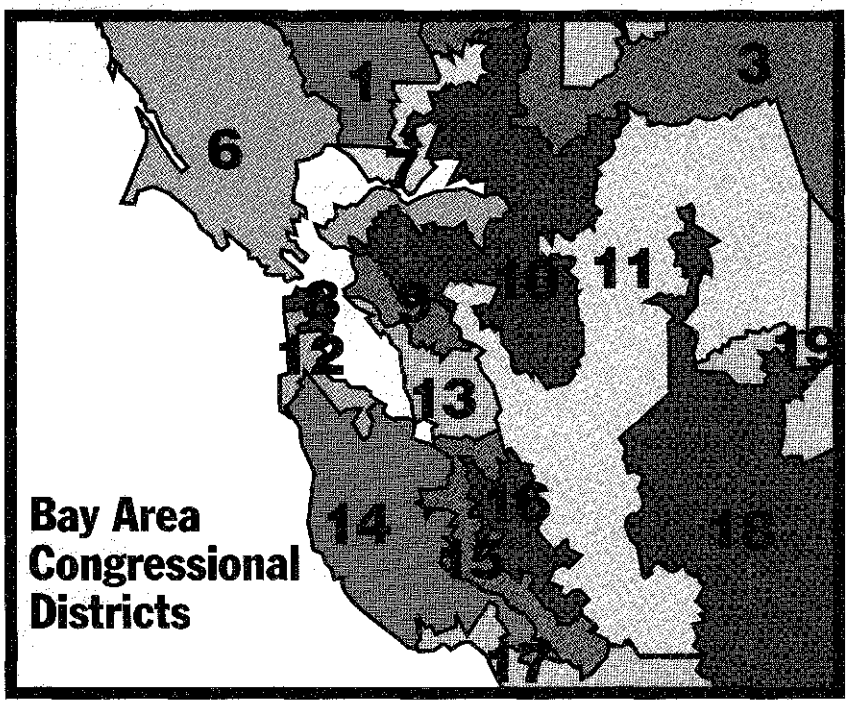

DISTRICT 25 (35% D – 45% R – 16% DS)

Willoughby (D)	68,950	35%
McKeon (R*)	**127,147**	**65%**

DISTRICT 26 (34% D – 47% R – 16% DS)

Matthews (D)	92,665	43%
Dreier (R*)	**116,218**	**54%**
Weissbuch (L)	7,731	4%

A surprisingly close race for Republican David Dreier, chairman of the House Rules Committee and one of the most influential members of Congress. Did he really suffer because John and Ken don't like him and spent a good amount of airtime smacking Dreier around on their KFI radio show?

DISTRICT 27 (48% D – 31% R – 17% DS)

Sherman (D*)	**112,310**	**62%**
Levy (R)	60,299	33%
Carter (G)	7,844	4%

DISTRICT 28 (57% D – 21% R – 18% DS)

Berman (D*)	**103,093**	**71%**
Hernandez (R)	33,801	23%
Ross (L)	8,041	6%

DISTRICT 29 (44% D – 32% R – 19% DS)

Schiff (D*)	**118,503**	**65%**
Scolinos (R)	55,734	31%
Koebel (G)	4,867	3%
Brown (L)	3,916	2%

DISTRICT 30 (51% D – 26% R – 19% DS)

Waxman (D*)	**190,835**	**71%**
Elizalde (R)	77,236	29%

DISTRICT 31 (59% D – 16% R – 19% DS)

Becerra (D*)	**78,529**	**81%**
Vega (R)	19,002	19%

DISTRICT 32 (52% D – 26% R – 18% DS)

Solis (D*)	**106,931**	**85%**
Faegre (L)	19,033	15%

DISTRICT 33 (66% D – 12% R – 17% DS)

Watson (D*)	**145,565**	**89%**
Weber (L)	18,569	11%

DISTRICT 34 (59% D – 20% R – 16% DS)

Roybal-Allard (D*)	**72,923**	**75%**
Miller (R)	24,962	26%

Hey! A Republican showed up. Didn't win, but showed up.

DISTRICT 35 (67% D – 14% R – 14% DS)

Waters (D*)	**109,988**	**80%**
Moen (R)	21,148	16%
Mego (AI)	2,982	2%
Tate (L)	2,950	2%

DISTRICT 36 (44% D – 32% R – 19% DS)

Harman (D*)	**134,231**	**62%**
Whitehead (R)	73,023	34%
Binkley (L)	4,446	2%
Stek (PF)	5,225	2%

Does incumbent Jane Harman have her sights set on statewide office — again?

DISTRICT 37 (61% D – 18% R – 15% DS)

McDonald (D*)	**102,981**	**75%**
Van (R)	28,104	20%
Peters (L)	6,486	5%

DISTRICT 38 (59% D – 23% R – 16% DS)

Napolitano (D*)	**103,563**	**100%**

Tight and tough all the way to E-Day. Those who bragged that they could predict the outcome were puffing hot air. Millions spent here. Millions. The elderly, the frail, the overly sensitive were evacuated during the final days.

DISTRICT 39 (52% D – 28% R – 16% DS)

Ln. Sanchez (D*)	**90,174**	**61%**
Escobar (R)	58,734	39%

Linda Sanchez — half of California's congressional sister act.

DISTRICT 40 (33% D – 47% R – 16% DS)

Williams (D)	51,272	32%
Royce (R*)	**107,228**	**68%**

DISTRICT 41 (33% D – 49% R – 13% DS)

Lewis (R*)	**144,412**	**83%**
Mottahedek (L)	29,394	17%

DISTRICT 42 (30% D – 50% R – 17% DS)

Myers (D)	61,911	32%
Ga. Miller (R*)	**128,632**	**68%**

DISTRICT 43 (50% D – 32% R – 13% DS)

Baca (D*)	**67,504**	**67%**
Laning (R)	34,126	34%

DISTRICT 44 (32% D – 49% R – 15% DS)

Vandenberg (D)	62,151	36%
Calvert (R*)	**106,134**	**61%**
Akin (PF)	5,885	3%

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DISTRICT 45 (37% D – 47% R – 13% DS)

Meyer (D)	64,847	34%
Bono (R*)	**128,412**	**67%**

DISTRICT 46 (31% D – 48% R – 17% DS)

Brandt (D)	70,235	33%
Rohrabacher (R*)	**130,537**	**62%**
Lash (G)	7,754	4%
Gann (L)	3,847	2%

DISTRICT 47 (45% D – 35% R – 17% DS)

Lo. Sanchez (D*)	**43,238**	**60%**
Coronado (R)	29,348	40%

Loretta Sanchez — the other half of California's congressional sister act.

DISTRICT 48 (27% D – 51% R – 18% DS)

Graham (D)	67,154	33%
Cox (R*)	**133,492**	**65%**
Cohen (L)	6,133	3%

DISTRICT 49 (29% D – 50% R – 17% DS)

Byron (D)	61,725	35%
Issa (R*)	**108,462**	**62%**
Grossmith (L)	4,513	3%

Darrell Issa probably wishes he didn't run for re-election to Congress. The man who kick-started the Gray Davis recall in 2003 envisioned himself as the Republican who would replace Davis, but he — and everyone else — was big-footed by Arnold Schwarzenegger. Meanwhile, Democrat Mike Byron ran a noisy campaign, full of optimism about an upset in this heavily Republican district. Misplaced optimism, but optimism nonetheless.

DISTRICT 50 (30% D – 45% R – 20% DS)

Busby (D)	81,790	37%
Cunningham (R*)	**128,896**	**58%**
Templin (AI)	3,691	2%
Waayers (G)	5,032	2%
Osborne (L)	2,695	1%

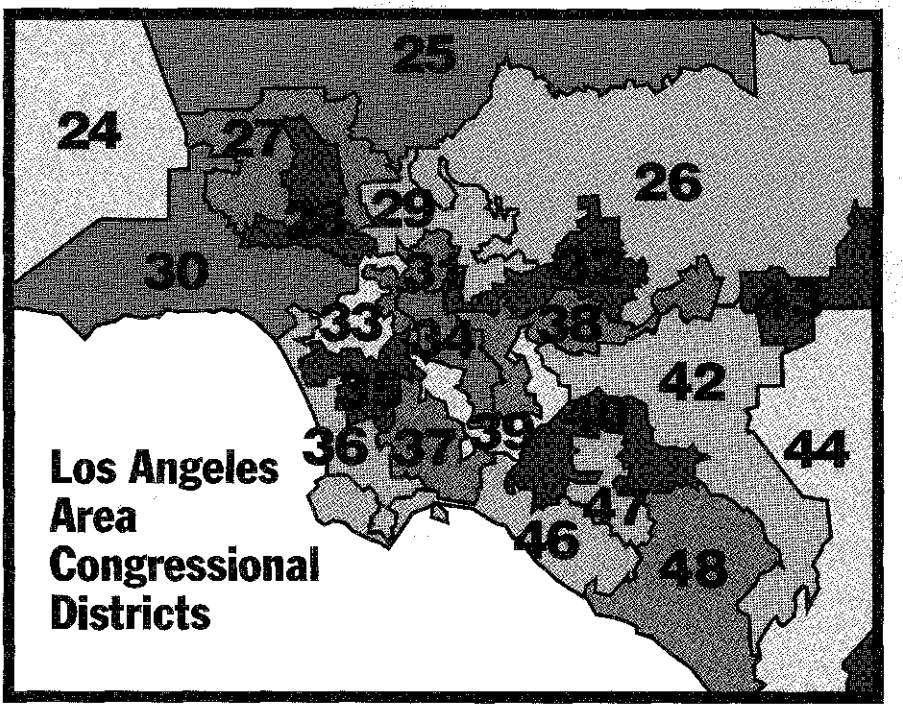
Full slate. Predictable result.

DISTRICT 51 (48% D – 30% R – 17% DS)

Filner (D*)	**85,929**	**62%**
Giorgino (R)	47,760	35%
Metti (L)	4,549	3%

DISTRICT 52 (31% D – 46% R – 18% DS)

Keliher (D)	57,338	27%
Hunter (R*)	**145,419**	**69%**
Benoit (L)	6,880	3%



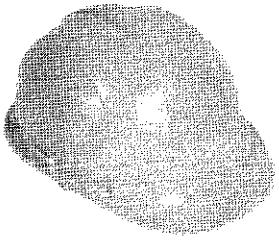
DISTRICT 53 (42% D – 30% R – 23% DS)

Davis (D*)	**113,235**	**67%**
Hunzeker (R)	47,972	28%
Rockwood (G)	5,824	3%
Van Susteren (L)	2,761	2%

And we reach the end of our congressional election tour. Join us in 2006 for another round of savagery as California's House delegation bravely fights its way to re-election, once again overcoming that most hazardous of political obstacles — boredom.

Thank You.

Since 2001, California's voters have approved $12.2 billion in locally authorized bonds, an astonishing 93% passage rate. This has allowed 52 different community college districts to construct facilities to ensure that every Californian finds an open door to higher education. With increased accountability and citizen involvement, community colleges are protecting taxpayer funds and building college facilities that meet local needs.



On behalf of 2 million current students and the millions more that will be served because of your support, California's community colleges thank you.

California Community Colleges

Keeping the doors open since 1910.

A message from the Community College League of California.

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STATE SENATE

DISTRICT 1 (33% D – 47% R – 16% DS)

McDonald (D)	111,372	34%
Cox (R)	**204,438**	**63%**
Leibman (L)	10,752	3%

Former Assembly GOP Ldr. Dave Cox had one of the tamest elections in memory for someone running for an open seat. He beat his primary opponent 3-to-1, then coasted to victory in November. He replaces Republican Rico Oller who lost a March congressional primary to former Atty. Gen. Dan Lungren.

DISTRICT 3 (53% D – 18% R – 23% DS)

Migden (D)	**198,426**	**68%**
Felder (R)	75,659	26%
Rhodes (L)	7,954	3%
Grimes (PF)	9,169	3%

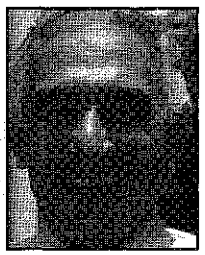
For the past two years, Democrat Carole Migden has cooled her heels as an elected member of the state Board of Equalization — a post she won after being termed out of the Assembly in 2002. Migden now returns for another tour of duty inside the Capitol, and her arrival mirrors her first stint in Sacramento. In both cases, she replaced a legend. In 1996 she won the Assembly seat previously occupied by Willie Lewis Brown Jr., who left to become mayor of San Francisco. This time, she replaces Sen. Pres. pro Tem. John Burton. As before — lion out, lioness in.

DISTRICT 5 (45% D – 37% R – 14% DS)

Machado (D*)	**131,168**	**53%**
Podesto (R)	117,581	47%

This is the one Republicans really really wanted, and they thought they could take it by combining a skilled, popular candidate like Stockton Mayor Gary Podesto with a big push from Gov. Arnold Schwarzenegger and a barrage of negative TV ads aimed at the Democratic incumbent, Mike Machado. Oh, yes, and a $5 million war chest. Machado had never endured an easy election. Four years ago, the Linden farmer had to wait out an absentee ballot count before winning his first Senate race by a mere 1,379 votes. But thanks to the vagaries of redistricting, Machado's previous election was in an older version of SD 5. The 2001 redistricting boosted Machado's chances this year by amputating GOP-leaning areas of San Joaquin and Sacramento counties and adding Democrat-friendly Yolo County. It was there that Machado was saved as Davis-area Democrats, fueled by a palpable desire to oust George Bush, came out in droves for Machado, who walloped Podesto in Yolo by a 3-to-2 margin. At the same time, Podesto failed to secure his own base in the district's southern reaches. Not only did he cede San Joaquin County to Machado, Podesto lost in his home city of Stockton — a huge blow for a campaign that touted the two-term mayor's popularity and counted on a good showing there to offset losses in Yolo. The contest itself began well before the general election kicked off because both Machado and Podesto ran unopposed in the March primary, thus fixing their sights on one another since January. Podesto's campaign appeared unfocused at times, however. His earliest mailers slammed Machado for fundraising violations that earned him a $61,000 fine from the state Fair Political Practices Commission. Later missives accused the incumbent of a range of misdeeds, from taxing teachers to giving Central Valley road funds to San Francisco. Then Podesto launched two quirky Western-themed TV ads in which the mayor played a Marshal Matt Dillon-type character, throwing a stingy land developer out a window and sprucing up an 1890s-era Stockton. The Republican's campaign also created a Web site that highlighted Machado's warts (GiveitbackMike.com). Content on that site suggested that Machado had been "voted the legislator with the least integrity" by *California Journal* — a reference to the magazine's biennial "Minnie Awards" meted out to the Legislature's best and brightest.

Machado



Podesto

As written, the accusation was false, earning the Podesto campaign a rebuke from the *Journal*, and the offending material was replaced with language that more accurately reflected the magazine's assessment. Machado, on the other hand, seized on Podesto's claims of being tough on developers. Machado's ads crowned the mayor "The King of Sprawl" and suggested that Podesto wanted to sell Delta water to Las Vegas, or worse, Southern California. A distortion of the truth? Sure. But the damage was done when two reports surfaced at Stockton's City Hall; one revealed that the city had quietly studied a controversial Delta water-sale scheme, while the other showed that each new house built in Stockton costs taxpayers $430 a year beyond what's covered by developers' fees. At the polls, Stockton voters approved a slow-growth measure and rejected Podesto by slim margins. Gov. Schwarzenegger campaigned for Podesto twice in the campaign's final weeks, and the Republican's mailers pictured the two standing shoulder-to-shoulder. But Machado countered with endorsements from moderate Democrats, including Sen. Dianne Feinstein, Insurance Commissioner John Garamendi and the region's former state senator, Patrick Johnston. Machado's ads also claimed Schwarzenegger signed more of his bills than those of any Senate Republican. By the end, the two camps had combined to lay out what surely is a single-district spending record of close to $10 million. Podesto also benefited from independent expenditures by the CA Farm Bureau, which four years

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ago endorsed Machado. Planned Parenthood weighed in with IEs on behalf of Machado. Termed out as mayor, Podesto may ride into the political sunset for now. But insiders suggest he could reappear in 2006 to run for Barbara Matthews' 17th Assembly District seat. — *Cheryl Miller*

DISTRICT 7 (47% D – 33% R – 16% DS)

Torlakson (D*)	**244,318**	**100%**

Republicans gave incumbent Tom Torlakson quite a scare this election year — they very nearly ran somebody against him.

DISTRICT 9 (59% D – 14% R – 20% DS)

Perata (D*)	**190,000**	**77%**
Deutsche (R)	40,838	17%
Von Pinnon (L)	5,066	2%
Condit (PF)	12,570	5%

Sen. Pres. pro Tem. Don Perata didn't need to count votes on Election Day, but he'll need to bring his abacas to the new Senate Democratic Caucus. That's because rumors were rife that the Democrat he narrowly defeated last fall to become pro tem — Martha Escutia of Los Angeles — has spent much of the interim planning a coup. If the rumors prove true, Perata will need to curry favor with at least five new Democratic senators.

DISTRICT 11 (47% D – 27% R – 21% DS)

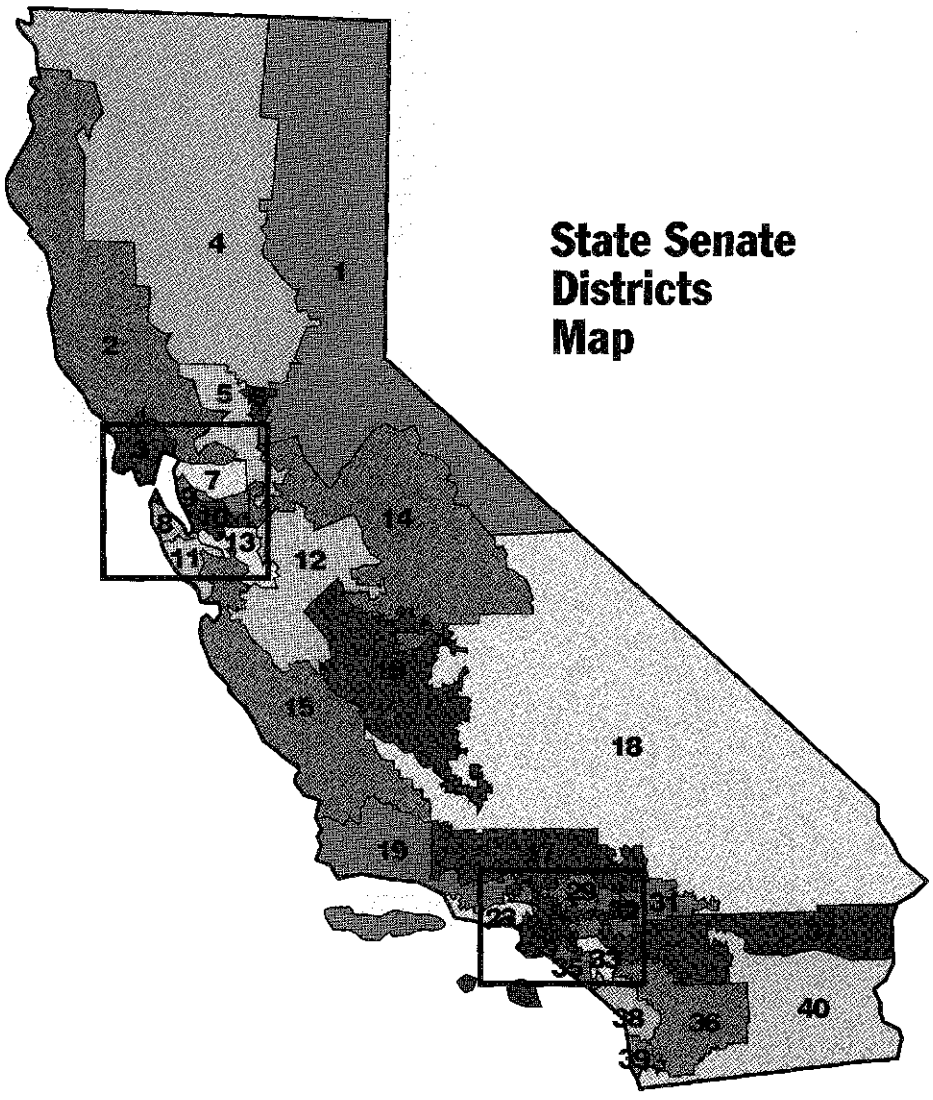
Simitian (D)	**184,123**	**67%**
Zellhoefer (R)	81,240	29%
Rice (L)	11,139	4%

Democrat Joe Simitian bailed on the Assembly one term early to run for the Senate seat vacated by longtime Democratic Sen. Byron Sher, who was termed out in 2004. Simitian left a donnybrook in his old AD 21 (see page 23), where Republican Steve Poizner spent the gross national product of Nepal in a failed attempt to win the Assembly seat.

DISTRICT 13 (49% D – 24% R – 23% DS)

Alquist (D)	**113,048**	**69%**
Connolly (R)	44,536	27%
Laursen (L)	6,896	4%

Elaine Alquist beat fellow Democratic Assm. Manny Diaz in a close-fought March primary for the right to succeed Sen. John Vasconcellos, who was termed out after 38 years in the Legislature. Alquist now represents the same constituency that her husband, former Sen. Al Alquist, served from 1963 to 1996.



DISTRICT 15 (40% D – 39% R – 17% DS)

Pinard (D)	120,237	43%
Maldonado (R)	**150,156**	**53%**
Madsen (G)	11,680	4%

A couple of million smackeroos from the Democratic Party made this race interesting for Republican Abel Maldonado. A termed-out Assembly member, Maldonado was expected to cruise to victory in what amounts to an entirely new SD 15 crafted as Republican territory. But the lack of opportunities elsewhere on the Senate grid infused Democrats with a "what the heck" attitude, and they began writing $1 million checks to San Luis County Supe. Peg Pinard during the late summer. Some insiders called it "pin money," designed to pin Republican resources to a district they thought was safe and prevent the GOP from mischief-making elsewhere — say, in San Diego on behalf of Larry Stirling. The strategy worked, because Republicans had to aid Maldonado's campaign. Among those contributing both money and effort was Gov. Arnold Schwarzenegger, who counts Maldonado among his election victories. Among those who gave IEs for Maldonado were developers, dentists, realtors, prison guards, the credit-union league. Environmentalists and pro-choice groups weighed in for Pinard. Despite the Democratic investment, the Republican took four of the five counties in the district, losing only in left-leaning Santa Cruz. Maldonado scored his most impressive victory in Pinard's home county, defeating her in San Luis by some 22,000 votes.

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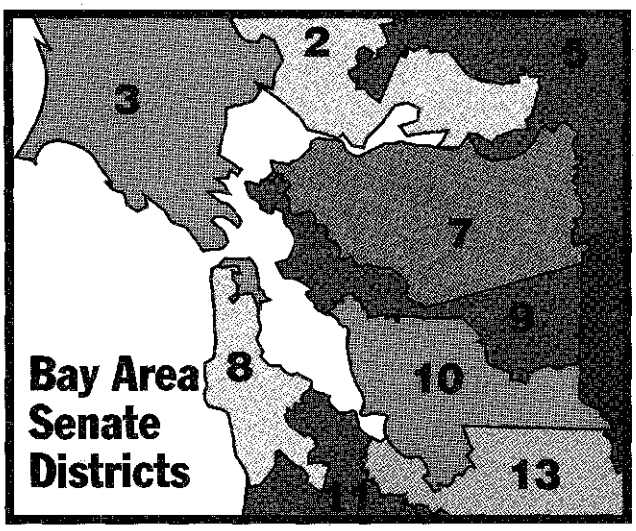

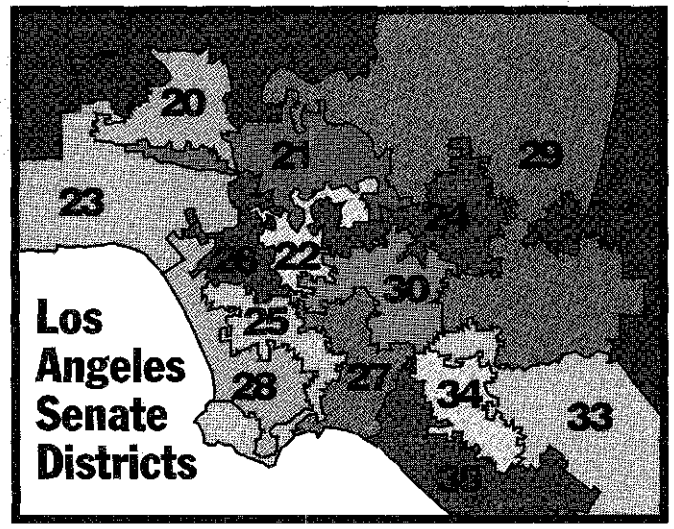

DISTRICT 17 (36% D – 45% R – 15% DS)

Kraut (D)	92,349	36%
G. Runner (R)	**154,517**	**60%**
Ballard (L)	10,391	4%

Former Assm. George Runner joins his spouse, Assm. Sharon Runner, as the first husband-wife team to serve in the Legislature at the same time.

DISTRICT 19 (36% D – 42% R – 17% DS)

Graber (D)	107,023	40%
McClintock (R*)	**163,267**	**61%**

The Senate's most libertarian member ran hard despite a decent registration edge and continued popularity from his spirited campaign for governor during the 2003 recall election. This will be Tom McClintock's final term in the Legislature.

DISTRICT 21 (46% D – 31% R – 18% DS)

Scott (D*)	**193,145**	**78%**
New (L)	54,417	22%

Incumbent Jack Scott raised nearly $300,000, spent little of it and — according to electronic filings — gave virtually none of it away. He's termed out.

DISTRICT 23 (51% D – 27% R – 18% DS)

Kuehl (D*)	**196,368**	**66%**
Lanzi (R)	86,326	29%
Goldman (L)	15,479	5%

DISTRICT 25 (61% D – 20% R – 14% DS)

Vincent (D*)	**145,057**	**73%**
Spencer (R)	47,059	24%
Ogden (L)	5,781	3%

Can you believe that three Republicans actually vied for the nomination in this district? James Spencer won the right to serve as Ed Vincent's red carpet.

DISTRICT 27 (50% D – 29% R – 16% DS)

Lowenthal (D)	**132,561**	**63%**
Castellanos (R)	78,072	37%

Assm. Alan Lowenthal had an easier time replacing termed-out Sen. Betty Karnette than Karnette had trying to replace Lowenthal in AD 54 (see page 28).

DISTRICT 29 (33% D – 46% R – 17% DS)

Bautista (D)	85,582	33%
Margett (R*)	**157,752**	**61%**
Fernandes (L)	14,147	5%

DISTRICT 31 (35% D – 47% R – 14% DS)

Mikels (D)	91,909	41%
Dutton (R)	**134,896**	**60%**

Although only in his first term, Assm. Bob Dutton was the anointed candidate to replace Republican Jim Brulte, who was termed out. Big shoes to fill.

DISTRICT 33 (27% D – 52% R – 17% DS)

Daugherty (D)	81,478	31%
Ackerman (R*)	**177,602**	**69%**

Dick Ackerman comes back to Sacramento after having spun his wheels as minority leader. He lost no seats. He gained no seats.

DISTRICT 35 (29% D – 49% R – 18% DS)

Siebert (D)	82,295	32%
J.Campbell (R)	**163,535**	**63%**
Johnson (L)	12,214	5%

The real fight here took place in the March primary between a pair of assemblymen — Ken Maddox and John Campbell. Campbell won handily but ill feelings remained over campaign tactics and smears, causing Campbell to sue Maddox's campaign manager for faxing out a slanderous broadside. The campaign manager denied it. A security camera at Kinko's suggests otherwise. Court date pending.

DISTRICT 37 (35% D – 48% R – 14% DS)

Johansen (D)	103,608	41%
Battin (R*)	**151,163**	**59%**

Incumbent Jim Battin was preoccupied elsewhere; namely, AD 80 where his close ally — incumbent Republican Bonnie Garcia — was involved in a slam-bang battle for survival (see page 31). She won. He won. And everybody's happy. Well, maybe not Pat Johansen.

DISTRICT 39 (40% D – 32% R – 22% DS)

Kehoe (D)	**153,940**	**60%**
Stirling (R)	89,724	35%
Murphy (L)	12,178	5%

This race was expected to be more competitive since the incumbent — Democrat Dede Alpert — was termed out and the Republican nominee, Larry Stirling, was a former legislator and Superior Court judge. But Assm. Christine Kehoe handled Stirling with ease, running 20 points ahead of registration. Stirling could have been hurt by the fact that Republicans had to spend resources elsewhere (see SD 15, page 19) that otherwise could have gone into this fight.

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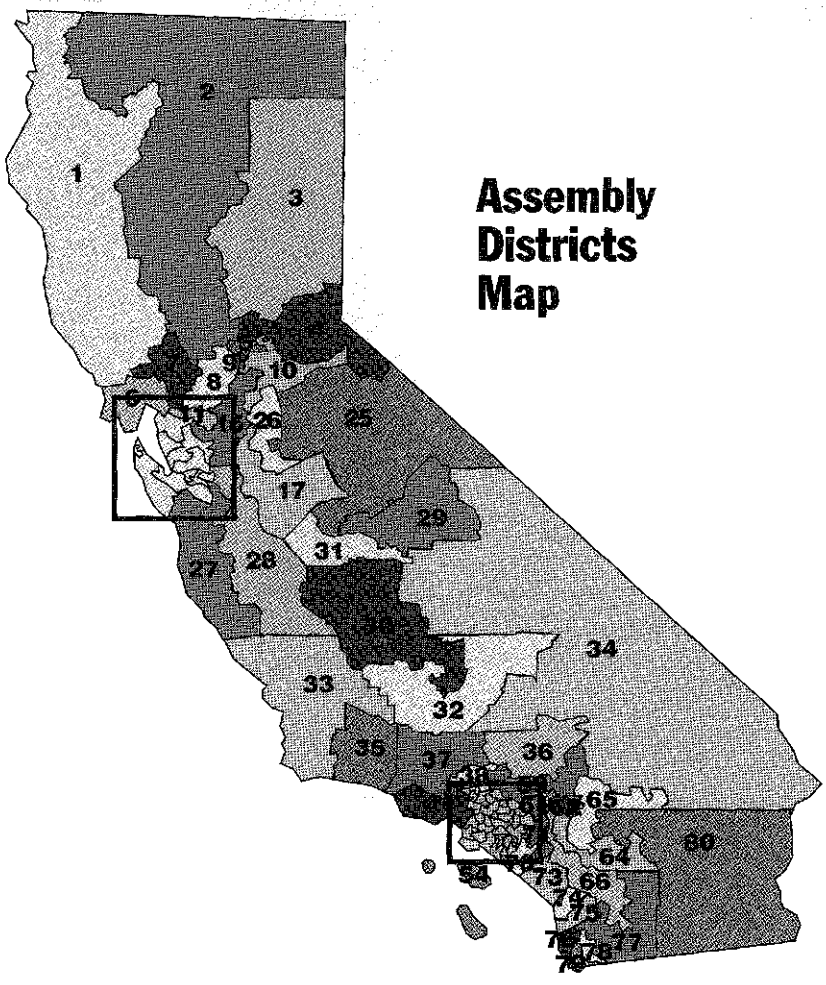
ASSEMBLY



DISTRICT 1 (45% D – 29% R – 17% DS)

Berg (D*)	**102,911**	**62%**
Tyrone (R)	55,588	33%
Anton (L)	9,082	5%

DISTRICT 2 (33% D – 48% R – 14% DS)

McIver (D)	54,378	35%
LaMalfa (R*)	**100,940**	**65%**

Democrat Barbara McIver conducted an energetic campaign and earned endorsements from several area newspapers, including the *Redding Record Searchlight*. Incumbent Doug LaMalfa stitched a large "R" on the back of his denim jacket and that, as they say, was that.

DISTRICT 3 (34% D – 43% R – 17% DS)

Woods (D)	60,260	37%
Keene (R*)	**96,416**	**60%**
Burk (L)	5,441	3%

In Sacramento, Republican Rick Keene impressed Capitol watchers with his thoughtful approach to legislating and bi-partisan cooperation. His former legal clients, on the other hand ...

DISTRICT 4 (32% D – 48% R – 16% DS)

Schwenk (D)	55,664	33%
Leslie (R*)	**111,259**	**67%**

DISTRICT 5 (36% D – 44% R – 16% DS)

Carey (D)	46,354	36%
Niello (R)	**77,794**	**60%**
Manfre (L)	4,989	4%

Sacramento County Supe. Roger Niello moves downtown to replace former Assm. GOP Ldr. Dave Cox, who hauled his toys across the Capitol to replace state Sen. Rico Oller, who lost a March congressional primary to former Atty. Gen. Dan Lungren, who once lost the governorship to Democrat Gray Davis, who was recalled last year and replaced by Arnold Schwarzenegger, who did not campaign for Roger Niello.

DISTRICT 6 (51% D – 25% R – 18% DS)

Nation (D*)	**114,415**	**72%**
Patrick (R)	44,048	28%

DISTRICT 7 (51% D – 28% R – 16% DS)

Evans (D)	**84,855**	**60%**
Kreuger (R)	52,205	37%
Smith (L)	4,197	3%

DISTRICT 8 (45% D – 32% R – 18% DS)

Wolk (D*)	**85,614**	**64%**
Munn (R)	49,094	36%

Rookie Democrat Lois Wolk and Republican John Munn competed for the second time. Both considered themselves moderates but found little common ground on issues. Unfortunately for Munn, Wolk found common ground with a majority of district voters.

DISTRICT 9 (55% D – 22% R – 17% DS)

Jones (D)	**59,652**	**67%**
Garcia (R)	25,291	28%
Morgan (L)	4,865	5%

Sacramento City Councilman Dave Jones won this seat in the March primary when he bested a strong field of Democratic hopefuls. Not that it made Jones overconfident or anything, but he was the only candidate in his district, for any office, who did not bother to place a candidate's statement in the secretary of state's voter guide. He replaces Democrat Darrell Steinberg, who was termed out and who would have filed a statement, regardless of the odds in his favor.

DISTRICT 10 (38% D – 44% R – 14% DS)

Nakanishi (R*)	**94,512**	**76%**
Lang (L)	30,697	25%

The changing character of this southern Sacramento County-northern San Joaquin County-foothill district is reflected in the fact that freshman Republican Alan Nakanishi didn't draw a Democratic opponent despite the fact that it was considered mildly competitive only two years ago.

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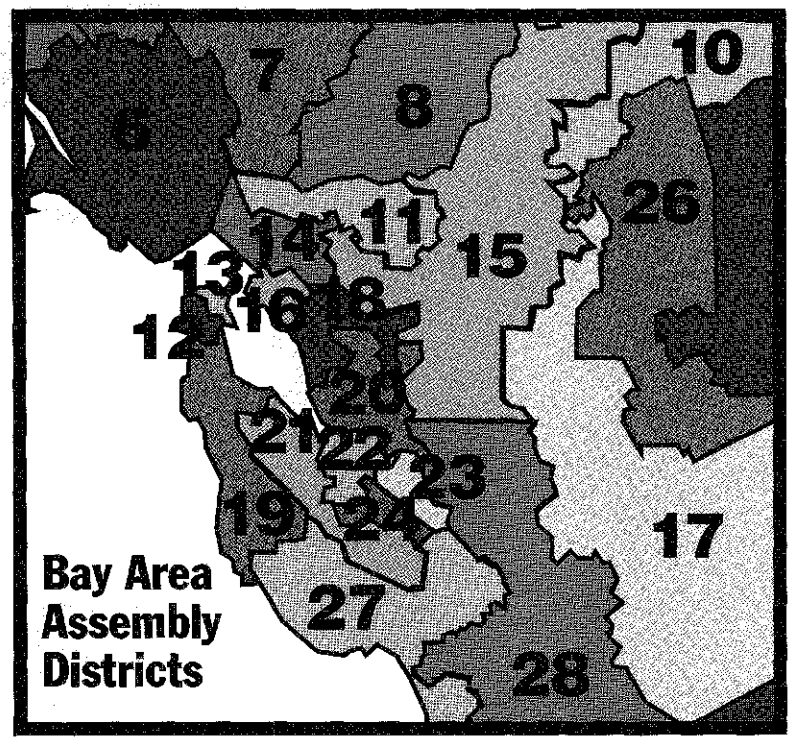


DISTRICT 11 (53% D – 26% R – 17% DS)

Canciamilla (D*)	**83,714**	**67%**
Santiago (R)	35,587	28%
Manske (L)	6,253	5%

DISTRICT 12 (52% D – 14% R – 29% DS)

Yee (D*)	**88,603**	**77%**
Epstein (R)	19,516	17%
Maden (L)	7,067	6%

The state's largest Asian voting bloc resides in this San Francisco-Daly City district, making incumbent Leland Yee's re-election a cakewalk.

DISTRICT 13 (56% D – 10% R – 26% DS)

Leno (D*)	**113,620**	**82%**
Neira (R)	18,107	13%
Marvin (L)	6,890	5%

DISTRICT 14 (58% D – 16% R – 19% DS)

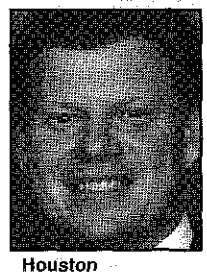
Hancock (D*)	**111,310**	**76%**
Montauk (R)	27,516	19%
O'Neal (L)	6,959	5%

This East Bay district is safe territory for former Berkeley Mayor Loni Hancock, whose husband, former Assemblyman Tom Bates, now serves as Berkeley's mayor. Incestuous, isn't it?

DISTRICT 15 (38% D – 42% R – 16% DS)

Shaw (D)	76,551	45%
Houston (R*)	**93,099**	**55%**

Two years ago, Republican Guy Houston had a mildly difficult election against Contra Costa Co. Supe. Donna Gerber for what was then an open seat. The key issue was growth, and the source of Houston's victory was turnout. Democrats didn't, and Houston won by about 8%. Gerber took a pass in 2004 and was replaced on the ballot by Democrat Elaine Shaw, a financial attorney who in 2002 self-funded a losing congressional challenge to Republican Richard Pombo. The issue this time around was not growth, although sprawl and its consequences continue to plague a district that includes a traffic corridor between the East Bay and Central Valley. The "issue" instead was Houston — in all his personal and professional glory. His legislative record was wrapped around a brick and hurled at him in mailer after mailer after mailer detailing, among other mortal sins, his vote against car seats for small children, a zero from the League of Conservation Voters and an "A" from the National Rifle Assn. But the incumbent's conduct as a legislator was only part of the campaign. His professional life was stuffed into plastic bags full of dog doo and flung through district mail slots. It centered on Houston's conduct as a businessman and the tangled financial record compiled by an investment firm owned by his father. Guy Houston was an officer in that company, which Democrats characterized as a Ponzi scheme. Midway through the campaign, Houston and his father were sued by several investors who claimed they had been cheated out of their money. Houston called the allegations a gross distortion and countered with ads that called Shaw a tool of big labor, accused her of having served as an officer in a nonprofit "suspended by the secretary of state," and warned that she wants to raise taxes. By this time, the two candidates were grappling in the gutter, pulling hair and gouging eyes, each urged on by a phalanx of supporters. Labor unions, nurses, teachers and pro-choice advocates weighed in for Shaw, while Houston had backing from Gov. Arnold Schwarzenegger, prison guards and other law-enforcement groups and a host of local elected officials. Both sides had more than enough money, thanks to cash and in-kind resources funneled to them by the parties. In the end, Republicans stayed loyal to their bloodied candidate, and Houston won by a bigger margin than in 2002, capturing three of the four counties included in the district and losing only in a small slice of San Joaquin. He won big, however, in Contra Costa where two-thirds of the electorate resides and where the incumbent prevailed 54% to 46%, or by some 8,000 votes. District voters may now hose out their mailboxes.


Houston

DISTRICT 16 (62% D - 11% R – 20% DS)

Chan (D*)	**94,694**	**88%**
Udinsky (R)	13,475	12%

Jerald Udinsky beat GOP registration by a point. Wilma Chan got everything else.

DISTRICT 17 (47% D – 40% R – 10% DS)

Matthews (D*)	**58,881**	**60%**
McGarry (R)	38,963	40%

What was expected to be a very competitive race turned into a runaway for incumbent Democrat Bar-

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bara Matthews. She even carried Republican Nellie McGarry's home county (Merced) by some 5,000 votes.

DISTRICT 18 (55% D – 22% R – 18% DS)

Klehs (D)	**86,444**	**83%**
Colfer (L)	17,322	17%

Democrat Johan Klehs returns for his final term in the Assembly after an absence of 10 years, during which he served two terms on the state Board of Equalization.

DISTRICT 19 (50% D – 25% R – 21% DS)

Mullin (D*)	**100,203**	**71%**
Brinkman (R)	36,720	26%
Gilster (L)	3,956	3%

DISTRICT 20 (47% D – 25% R – 24% DS)

Torrico (D)	**70,910**	**69%**
C. Williams (R)	32,371	31%

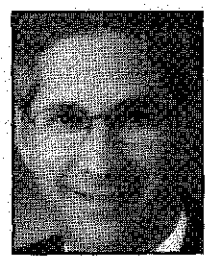
Newark City Councilman Alberto Torrico won this seat last March when he was the last candidate standing in a spirited five-way primary. Helped by Indian gambling tribes and IE expenditures from JOBSPAC, he beat a candidate backed by trial lawyers who now must make peace with Torrico. He replaces Democrat John Dutra, who was termed out.

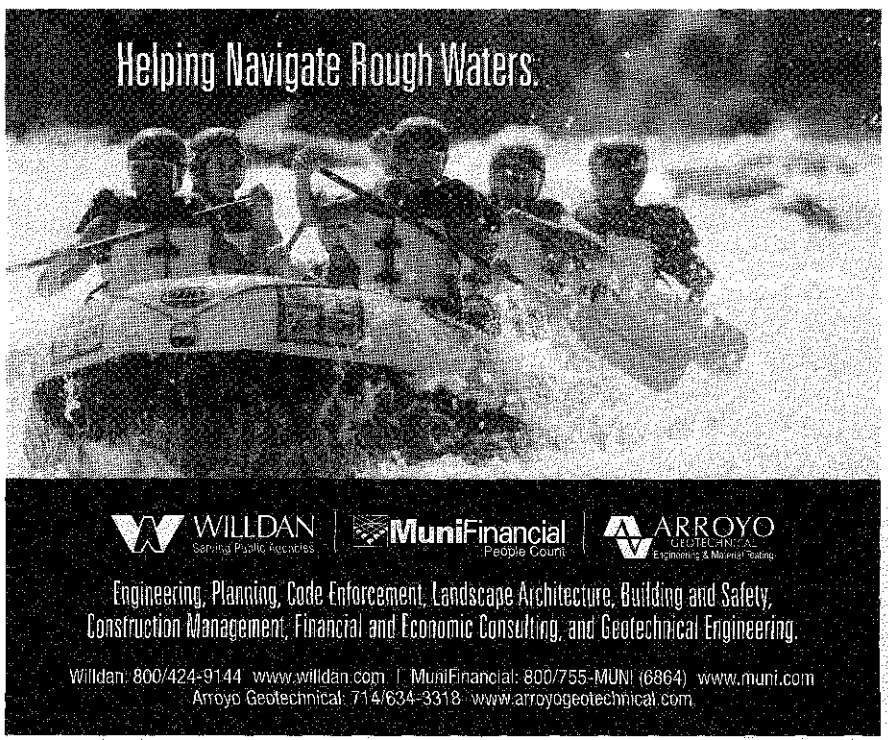
DISTRICT 21 (45% D - 31% R - 20% DS)

Ruskin (D)	**78,234**	**52%**
Poizner (R)	72,032	48%

Excuse us while we shove aside these bags of — oomph — coins and piles of loose $100 bills. Otherwise, we won't be able to get a clear view of the yard. Now that we can see the whole playing field, we note that it's littered with bags of coins and piles of $100 bills — perhaps as much as $9 million worth, three-fourths of that from the very fat wallet of Republican Steve Poizner. At this writing, it is unclear how much Poizner spent on this race (one Web site pegs it at $6.8 million), but he undoubtedly smashed all previous records for self-indulgence. The race itself was all about money. Never mind issues; both candidates fairly well fit this wealthy Silicon Valley enclave that includes Atherton, Los Altos Hills, Portola Valley and Woodside, as well as a Palo Alto, Menlo Park, Redwood City, Stanford and a slice of San Jose. It is an area that likes and respects money and those who have made gobs of it, and that sums up what Poizner brought to the table. It also is an area that heavily supports Democrats, and that sums up the key asset of Poizner's opponent — Redwood City Councilman Ira Ruskin. Like many high-tech wizards, Poizner made his fortune by developing some sort of gadget that he sold to Qualcom a few years ago for about $1 billion. Needing a new outlet, he chose politics and began seeding his resume' with little nuggets to help him along the trail. That he may have chosen unwisely from the start by swearing fealty to the Republican Party would not haunt him until later; say, like, now. Poizner chose his initial foray into elective politics this year after incumbent Democrat Joe Simitian decided to run for the Senate (see page 19), leaving this district one term early. The playing field was tilted rather heavily against any Republican, given the district's 14-point registration edge for Democrats, and Poizner sought to even the odds by piling bags of cash on his side of the table. He spent $500,000 on the primary, which was a signal of future efforts to anyone who cared to observe because Poizner had no opponent. He spent, he confessed, to build name ID. And build it he did. Throughout the summer, Poizner was the single biggest advertiser on Bay Area cable television — running more ads than Budweiser, Dodge trucks and Viagra. He also made himself known to a very wide audience that could not vote for him because television is not geographically selective. Besides Palo Alto, Poizner's message beamed into San Francisco, Oakland, Sausalito and Livermore, making him ideally positioned to succeed Emperor Norton if not Joe Simitian. Democrats, meanwhile, staged a four-way brawl for their nomination, with Ruskin barely edging out Joe Carcione, a trial lawyer and grandson of the Green Grocer. After the frivolity of an unopposed primary, Poizner got serious, writing checks to his campaign for $250,000 to $350,000 several times a week and continuing to blanket the district with information about himself. Democrats estimated that his name ID was in the 80-percent range; everyone had heard

Ruskin


Poizner



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of Steve Poizner. What they may not have heard *about* him, however, formed the centerpiece of the Democratic game plan. Poizner, who called himself a maverick, rarely if ever mentioned that 1) he was a Republican and 2) that he had contributed to George Bush. Democrats sought to educate voters, hosing those facts into district mailboxes on a stream of party and IE cash that couldn't match Poizner's spending but proved adequate. Opportunity PAC (nurses, teachers, labor), for instance, contributed nearly $200,000 in IE expenditures on Ruskin's behalf, and he got other IE help from professional engineers and the AFL-CIO. At one point, Poizner whimpered that "plumbers in Fresno" were funding Ruskin's effort, but the complaint rang hollow because Poizner had to pause mid-grump to flip another bagful of stock options into his campaign piggy bank. In the end, Poizner's spending was necessary if he harbored any hope of winning the seat, and he nearly leveled the field, well outpolling Pres. George Bush in both district counties. In Santa Clara, Bush received less than 35% of the vote, while Poizner carried the county by 4%. Bush managed only 30% in San Mateo and, although Poizner lost it to Ruskin by 9,000 votes, he still managed 44%. Overall, he ran 17% ahead of his party's district registration, but it wasn't enough. The "R" attached to his name was fatal, as he and his handlers worried it would be from day one. If Poizner leaves any legacy on the field, it is the notion that unless the opponent is a serial killer or the CEO of an energy company, no amount of money — even $100 per vote — can take a district where the other side enjoys a 14-point edge in party registration and strong support among the decline-to-state.

DISTRICT 22 (43% D - 27% R - 26% DS)

Lieber (D*)	**66,078**	**70%**
Dominguez-Gasson (R)	28,444	30%

DISTRICT 23 (51% D - 22% R - 23% DS)

Coto (D)	**47,006**	**68%**
Patrossoi (R)	19,056	28%
Bloomberg (G)	3,255	5%

Incumbent Democrat Manny Diaz' departure for an unsuccessful state Senate bid opened the door for Joe Coto, a former school superintendent who won a four-way primary in March.

DISTRICT 24 (45% D - 30% R - 20% DS)

Cohn (D*)	**68,476**	**60%**
Konnyu (R)	40,640	35%
Collier (L)	6,100	5%

Ever gracious, Republican Ernie Konnyu referred to his opponent as corrupt — on the day *after* the election. It came during the same diatribe that blamed Republicans for his defeat because, he claims, they cut a deal with incumbent Rebecca Cohn not to fund her opponent if she agreed to forego a challenge against Republican Abel Maldonado in SD 15. Otherwise, he would have won. Whatever. We think he lost because animatronic turnips in silk jammies fouled voting machines in key Republican precincts.

DISTRICT 25 (38% D - 46% R - 10% DS)

Marks (D)	45,545	32%
Cogdill (R*)	**96,465**	**68%**

DISTRICT 26 (42% D - 44% R - 26% DS)

Weintz (D)	39,990	37%
Aghazarian (R*)	**66,786**	**63%**

The value of hustle. Greg Aghazarian, the Republican caucus' energizer bunny, works so hard that Democrat Tim Weintz couldn't get within 5 points of Democratic registration.

DISTRICT 27 (48% D - 28% R - 18% DS)

Laird (D*)	**99,524**	**69%**
Barlich (R)	43,928	31%

Most observers gave incumbent John Laird rave reviews for his rookie term in the Legislature. He easily won a sophomore season.

DISTRICT 28 (51% D - 30% R - 16% DS)

Salinas (D*)	**47,932**	**63%**
Perkins (R)	28,892	37%

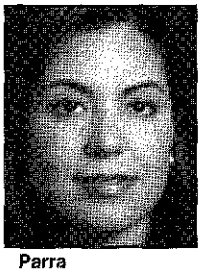
DISTRICT 29 (34% D - 52% R - 11% DS)

Macias (D)	44,996	34%
Villines (R)	**82,477**	**63%**
Crockford (G)	4,401	3%

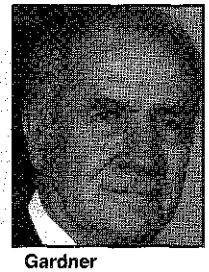
For the second consecutive election, voters in this Fresno-based district send a rookie Republican to Sacramento, thanks mostly to the self-immolation of scandal-plagued incumbent Steve Samuelian, who declined to seek re-election. Mike Villines, who once served as chief of staff to state Sen. Chuck Poochigian of Fresno, replaces Samuelian after emerging from a March food fight that masqueraded as a primary election.

DISTRICT 30 (48% D - 40% R - 10% DS)

Parra (D*)	**37,926**	**55%**
Gardner (R)	31,299	45%



Parra



Gardner

At the outset, it is almost impossible to evaluate this election because it seemed to drop on the unsuspecting citizens of this Central Valley district like a Quentin Tarantino nightmare about Dante's descent into Hell. Not one iota of it made sense — from the choice of the Republican nominee to the attacks on the Democratic incumbent to the issues that preoccupied both camps and thus saturated district airwaves and mailboxes. Start with context. Nicole Parra and Dean Gardner competed for this then-open seat in 2002, and Parra won by 266 votes despite outspending Gardner six trillion-to-one and having backing from the United Farm Workers and every Democratic personality and organization west of Bayonne, New Jersey. Gardner, on the other hand, was the poster boy for abandoned causes, yet he was given a few late nickels, which he rubbed together to question Parra's familiarity with the truth. That, plus whispers that a sizeable chunk of Democratic and decline-to-state Anglos voted anti-Latino, sent the final tally perilously close to recount country. Spin forward to 2004. Parra is the incumbent and, ever mindful of both her close election and the district's conservative roots, her legislative record has been a paragon of moderation — so much so that the UFW aban-

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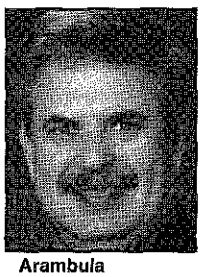
doned her. Republicans, sifting through the debris of 2002, still considered her a prime target, however, and laid plans to wage the kind of high-priced campaign that buys large homes, lavish vacations and expensive SUVs for consultants, pollsters and fund raisers. But when it came to recruiting a candidate to take on Parra, Republicans suffered what can only be described as an immeasurably ill-timed brain seizure. After a few half-hearted attempts to find an alternate, they turned again to Gardner, with the subsequent explanation that his close call in 2002 "earned him another chance." That enough baggage to overload the *Titanic* might encumber Gardner did not seem to have fazed Republican leadership or, worse, they didn't know about it. Democrats working for Parra quickly enlightened the GOP — and everyone else in the district — about Gardner's qualifications for office, which did not extend beyond the fact that he had a pulse. Democrats rolled out, in excruciating detail, a long, soiled and well-documented history of his bankruptcies, tax liens, name changes and litigation. By the time they finished, Gardner looked more like a candidate for San Quentin than Sacramento. Republicans, on the other hand, remained undaunted and — financially, at least — firmly committed to the race. They dumped money into Gardner's campaign in $100,000 packets all through the fall, emboldened by Pres. George Bush's strong polling in the district, backing from law enforcement groups and an endorsement from Gov. Schwarzenegger, who also helped Gardner raise money. And they used their resources to expose Parra as a liberal in moderate's clothing, or worse. By the time Republicans were done with her, Parra had single-handily tripled the car tax, built a monument to homosexual veterans, ripped money out of the hands of consumers, abused her Capitol staff and yanked whiskers from a kitten's face. There also was a malicious little whispering campaign about Parra's "alternative lifestyle," suggesting she might be gay. Resources — as much as $2 million for each side — flooded the district, with the Republican Party providing the bulk of Gardner's treasury and Democrats responding in kind. A number of IE campaigns also weighed in for Parra. Prison guards bought more than $250,000 worth of TV on her behalf in late October, while firefighters provided another $115,000 in in-kind services. Big agriculture also chipped in an IE for Parra, as did dentists, casinos and EMILY'S List. The conservative Club for Growth spent more modestly for Gardner. The Gardner-Parra contest also was the focus of a complaint with the Federal Communications Commission when it was revealed that a Central Valley media mogul planned to give free air time to GOP candidates, chief among them Gardner. When the mud settled, Parra was re-elected with a much more comfortable margin than in 2002, the victory secured by a strong showing in her home base of Kern County. To win, Gardner had to offset Kern by winning big in Kings County, but he ended up losing there by a few hundred votes. On the day after the election, Gardner's campaign manager grumped about Kings, saying he didn't understand why its voters abandoned his candidate. Perhaps he should have read the October 22 *Bakersfield Californian*. In its endorsement of Parra (rare for a Democrat), it suggested that after reviewing Gardner's business record, "likely most of us would hesitate to do business with him." Why, the paper asked, should voters send him to Sacramento? At least 50% of Kings County had a tough time answering that question.

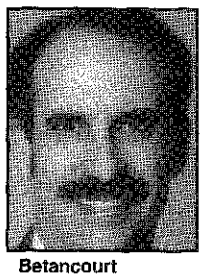
DISTRICT 31 (50% D - 38% R - 10% DS)

Arambula (D)	**40,059**	**57%**
Betancourt (R)	30,193	43%

Few thought this Central Valley district would be in play, but Republicans decided to capitalize on Pres.



Arambula



Betancourt

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George Bush's popularity and make a strong run at Fresno County Supe. Juan Arambula. They pumped a small fortune behind Paul Betancourt, a respected community leader and former president of the California Farm Bureau. Gov. Arnold Schwarzenegger also lent his considerable heft to Betancourt, as did JobsPAC, the pro-business IE committee funded by the Chamber of Commerce and its corporate allies. The candidates traveled the high road for most of the campaign, but Betancourt decided to spend the final few days on a tour through the local sewer. A mailer, sent on his behalf by the Republican Party, criticized Arambula for supporting drivers' licenses for illegal immigrants. It also called attention to the fact that the Democrat belongs to a group that lobbies on behalf of Mexican immigrants, and it included an unflattering photo of Arambula. The mailer was a thinly disguised attempt to play to the Republicans' self-confessed belief that racial biases influence Anglo voters in this part of the Central Valley regardless of party affiliation, and it earned Betancourt a public rebuke in an op-ed piece published in *The Fresno Bee*. It also made little difference.

DISTRICT 32 (30% D - 54% R - 12% DS)

Armas (D)	30,609	21%
McCarthy (R*)	**113,576**	**79%**

The real challenge for Assembly GOP Ldr. Kevin McCarthy was not his re-election against Marvin Armas. It was elsewhere, in a dozen districts where his caucus sought to narrow the Democrats' 48-32 majority in the lower house. He did not gain seats. Nor did he lose one. Given all the money and attention, it was an OK day.

DISTRICT 33 (36% D - 43% R - 16% DS)

Jenkins (D)	42,266	33%
Blakeslee (R)	**71,242**	**56%**
Hutchings (G)	7,662	6%
Kirkland (L)	6,998	5%

This past March, community college trustee Sam Blakeslee won one of the more expensive and competitive Republican primaries, besting a pair of opponents — both of whom breached 30% of the vote and triple-digit spending. Blakeslee replaces Republican Abel Maldonado who won a seat in the state Senate.

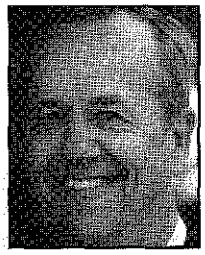
DISTRICT 34 (34% D - 48% R - 14% DS)

Florez (D)	31,752	31%
Maze (R*)	**69,489**	**69%**

DISTRICT 35 (44% D - 33% R - 17% DS)

Nava (D)	**63,741**	**53%**
Pohl (R)	56,253	47%

Nava


Pohl

A pair of well-regarded candidates squared off for the right to succeed termed-out Democrat Hannah Beth Jackson in a district that straddles Santa Barbara and Ventura counties. Democrat Pedro Nava and Republican Bob Pohl both ran unopposed in the March primary and were able to husband their resources for the fall. Both camps were well funded, with plenty of independent expenditures at play as well. The bulk of Pohl's IE support came from JobsPAC, the free-spending coalition led by the Chamber of Commerce, which dumped as much as $140,000 in support of his effort. Nava benefited from IEs by teachers and Californians for a Better Future, a conglomeration of teachers, card clubs, racetracks and tobacco companies, among others. Nava also had the backing of firefighters and prison guards. Pohl's IE expenditures generated some controversy when his campaign cancelled a TV buy in mid October only to have JobsPAC begin buying ads on his behalf within days of Pohl's cancellation. Democrats complained that Pohl and the IE committee had coordinated their activities in violation of campaign law, a charge both Pohl and JobsPAC denied. Democrats also made JobsPAC and its roster of financial supporters an issue in the campaign, pointing out to environmentally sensitive local voters that the IE drew funding from the likes of Chevron/Texaco, Sempra Energy, ARCO and British Petroleum. In contrast, they highlighted Nava's environmental credentials, including his appointment to the California Coastal Commission. Republicans, too, called attention to Nava's appointment, hitting him on conflict-of-interest charges because his wife lobbies the commission, while Democrats noted financial troubles that beset a school board where Pohl was a member. Gov. Arnold Schwarzenegger endorsed and campaigned for Pohl, but even the governor's presence wasn't enough to overcome Democrats' 11-point registration edge. Pohl ran well ahead of GOP registration, but he lost both counties — Ventura by 10 points. The race was closer in Santa Barbara where Pohl benefited from endorsements by popular local officials, such as newly elected county Supe. Brooks Firestone.

DISTRICT 36 (36% D - 45% R - 15% DS)

Scioneaux (D)	38,280	33%
S. Runner (R*)	**76,601**	**67%**

Incumbent Sharon Runner is joined by her husband, newly elected state Sen. George Runner, as the Republicans' power couple. Her husband also is a former assemblyman.

DISTRICT 37 (34% D - 45% R - 16% DS)

Masry (D)	54,513	42%
A. Strickland (R)	**71,205**	**55%**
Prince (G)	5,131	4%

Speaking of spouses, Republican Audra Strickland takes over the seat previously held by her husband, termed-out Tony Strickland. But the race was closer and more expensive than anyone thought possible, mostly because Democrat Ferial Masry garnered a lot of national publicity during the campaign. Seen as an expert on the Middle East, the Saudi-born Masry was called upon by national news organziations to comment on the war in Iraq and Mideast foreign policy. Masry also proved a solid campaigner and attracted growing popular and financial support as the campaign wore on. But the numbers were too daunting. Although Masry ran 8 points ahead of Democratic registration, she still finished well behind Strickland.

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DISTRICT 38 (35% D - 44% R - 16% DS)

Davis (D)	59,283	39%
Richman (R*)	**93,052**	**61%**

DISTRICT 39 (59% D - 19% R - 17% DS)

Montanez (D*)	**50,288**	**77%**
Ayao (R)	15,188	23%

Rules Committee Chair Cindy Montanez returns to her power post in Sacramento.

DISTRICT 40 (48% D - 31% R - 17% DS)

Levine (D*)	**62,243**	**58%**
Isler (R)	45,516	42%

DISTRICT 41 (48% D - 30% R - 17% DS)

Pavley (D*)	**90,125**	**60%**
Peters (R)	53,400	36%
Koffler (L)	6,777	5%

DISTRICT 42 (54% D - 21% R - 20% DS)

Koretz (D*)	**126,734**	**76%**
Fredrix (R)	40,923	24%

DISTRICT 43 (44% D - 31% R - 19% DS)

Frommer (D*)	**83,564**	**77%**
Woren (L)	25,583	23%

Brutal battle, but two-term incumbent Dario Frommer survived.

DISTRICT 44 (46% D - 33% R - 18% DS)

Liu (D*)	**94,206**	**66%**
Gabriel (R)	49,049	34%

Republicans put a bit of money and energy into optometrist Lynn Gabriel's effort to unseat incumbent Carol Liu, whom the GOP considered vulnerable. It is hard to see why. She won in 2002 with 60% of the vote and polled 3,000 more votes than the combined total amassed by both GOP candidates in the March 2004 primary. Maybe Republicans will leave her alone next time. Oh, wait. She's termed out.

DISTRICT 45 (59% D - 16% R - 20% DS)

Goldberg (D*)	**54,285**	**76%**
Gutierrez (R)	17,021	24%

DISTRICT 46 (66% D - 12% R - 17% DS)

Nunez (D*)	**39,068**	**86%**
Aldana (R)	6,657	15%

The speaker of the Assembly had a lot at stake this November—namely, his speakership. Fair or unfair, speakers are held accountable for the caucus' success (or lack thereof) in elections. And in 2004, Fabian Nunez did very well, thank you. Expected to lose a seat or two, his campaign operation protected every Democratic district.

DISTRICT 47 (66% D - 13% R - 17% DS)

Bass (D)	**103,318**	**81%**
Everett (R)	18,628	15%
DeBaets (L)	5,639	4%

Community activist Karen Bass blew away the opposition during the March primary on her way to replacing former Spkr. Herb Wesson.

DISTRICT 48 (72% D - 8% R - 15% DS)

Ridley-Thomas (D*)	**59,235**	**89%**
Alexander (R)	7,122	11%

Kudos to Sebastian Alexander, who carried the GOP banner despite one of the most lopsided registration deficits in the state. He ran ahead of registration, too.

DISTRICT 49 (47% D - 26% R - 23% DS)

Chu (D*)	**55,059**	**66%**
Needs (R)	21,515	(26%
L. Brown (L)	7,396	9%

DISTRICT 50 (62% D - 18% R - 16% DS)

De la Torre (D)	**51,033**	**75%**
Miller (R)	17,173	25%

Hector de la Torre comes out of scandal-ridden South Gate, where he built a reputation as a reformist mayor. He replaces the termed-out majority leader, Marco Firebaugh.

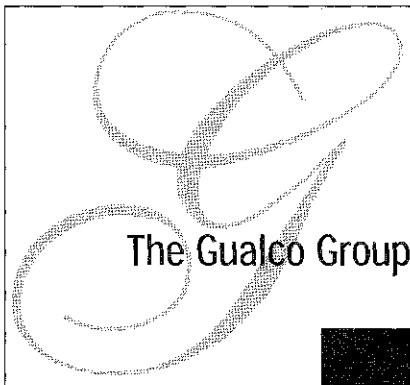
DISTRICT 51 (64% D - 17% R - 15% DS)

J. Horton (D*)	**78,846**	**84%**
Sherman (R)	15,134	16%

DISTRICT 52 (73% D - 9% R - 13% DS)

Dymally (D*)	**52,765**	**100%**

Unlike AD 48, where Sebastian Alexander bravely carried on (see left), Republicans didn't bother to show up to take on former Lt. Gov., former state Sen. and former U.S. Rep. Merv Dymally — elected to his second term in his second go-around in the Assembly. The 78-year-old Dymally previously served in the lower house from 1963 to 1966.



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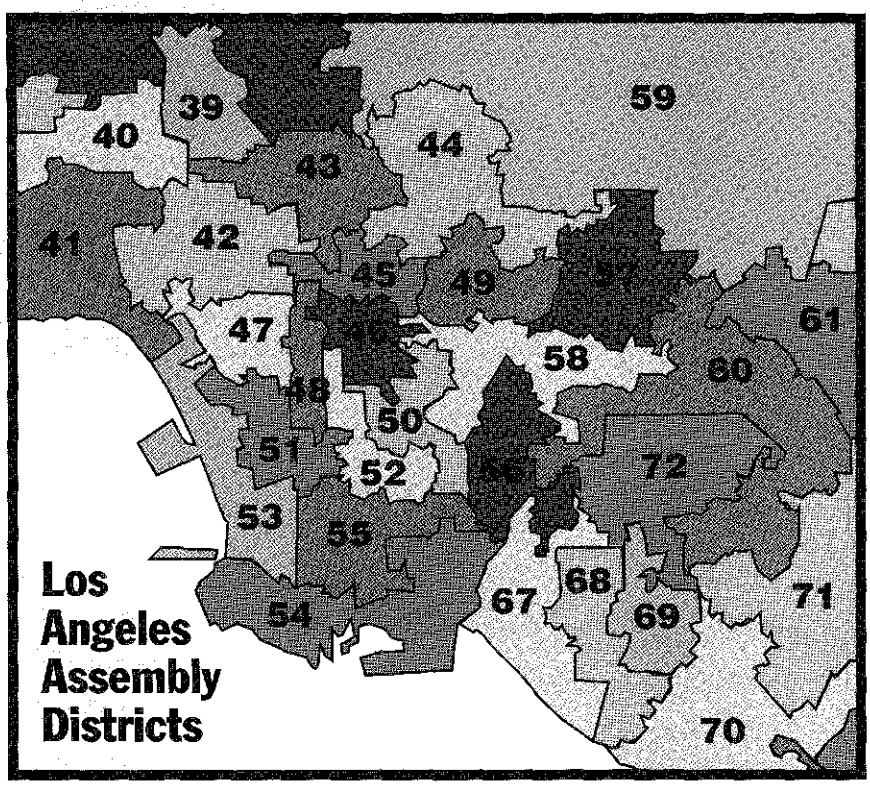
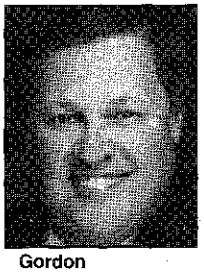


DISTRICT 53 (41% D - 35% R - 19% DS)

Gordon (D)	**84,589**	**50%**
Hill (R)	71,368	43%
Boivie (L)	7,822	5%
Smith (PF)	4,350	3%

Democrat Mike Gordon acquired a new first name during the course of this campaign — "Telemarketer." Nearly every press release issued by Republican Greg Hill referred to his opponent as "Telemarketer Mike Gordon," an attempt to link the Democrat with annoying Vegimatic peddlers who call in the middle of supper. And that just about explains the tenor and tempo of this slash-and-burn, worm-level slugfest. Not that Democrats were fluffy and sweet in their references to "whacky" Greg Hill's frequent appearances on dating shows. Both candidates served as mayors — Gordon from El Segundo and Hill from Redondo Beach — and each camp at times reared up out of the slime to touch on an issue, usually in attack mode. The two differed on education funding, affirmative action, taxes, stem-cell research and the environment, battling out their differences in candidate forums and in the mail. Hill's road was, um, uphill but JOBSPAC sought to even the field with more than $300,000 in support. The money was used to whack at Gordon, focusing on his telemarketing firm. He was accused, among other things, of raising money for charities then pocketing a large share of the proceeds for himself. The most devastating broadside, however, accused Gordon of fund raising for Gov. Gray Davis (gasp) during the 2003 recall, while Hill touted his support for Arnold Schwarzenegger in a district that supported both the recall and Schwarzenegger. Democrats continually reminded voters that Hill was a Republican, and Hill seemed to recognize the value of that argument, saying at one point that he did not support all of George Bush's agenda. As befitting a pair of elected officials, Gordon and Hill each sported a long list of endorsers. Schwarzenegger, who campaigned for him, led Hill's list, which also included L.A. Sheriff Lee Baca and County Supe. Mike Antonovich. Gordon was backed by the usual Democratic suspects such as environmentalists, teachers, nurses, firefighters, law-enforcement unions and labor, as well as both U.S. senators, local Congresswoman Jane Harman and a host of elected Democrats and locally elected officials — some of them Republicans. Gordon replaces Democrat George Nakano, who was termed out.


Gordon

Hill

DISTRICT 54 (44% D - 36% R - 16% DS)

Karnette (D)	**78,428**	**53%**
Kuykendall (R)	66,250	45%
Sterne (L)	3,913	3%

Karnette

Kuykendall

Just how long does the memory of a donation from a tobacco conglomerate last? Ask Republican Steve Kuykendall, who used a last-second donation from Philip Morris to defeat one-term Assm. Betty Karnette — 10 years ago. That donation has hung around Kuykendall's neck like a rotting cantaloupe, and Republicans admit that 2004 was no exception. Karnette, a termed-out state senator, and Kuykendall first went at each other a decade ago when Karnette was a one-term assemblywoman. Kuykendall beat her, thanks in large measure to $125,000 in late money from Philip Morris. The two went separate ways after 1994; Karnette eventually to the Senate and Kuykendall for a brief stint in Congress. They reunited this year as competitors to replace Democrat Alan Lowenthal, who is termed out. The March primary was something of a dry run since both ran unopposed, but results may have given Republicans and their allies more optimism than was warranted; Karnette outpolled Kuykendall by only 1,500 votes. The fall battle centered on Long Beach, half of which lies in the district. It is home turf for Karnette, and its

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electorate tends to be parochial in its voting patterns, which made the math challenging for Kuykendall. It also didn't help his cause that the homespun, grandmotherly Karnette is difficult to attack, or that she received copious amounts of IE help from firefighters and teachers — resources used to tar and feather Kuykendall with his past. Developers and realtors chipped in for Kuykendall, but their support couldn't gain him much traction. In the end, Karnette scored considerably better than she had in March — sweet revenge after 10 years.

DISTRICT 55 (55% D - 25% R - 16% DS)

Oropeza (D*)	**65,203**	**66%**
Underhill (R)	33,126	34%

Two-term incumbent Jenny Oropeza wanted to be speaker sooo bad, but she was knocked off earlier this year by Fabian Nunez. Had Nunez stumbled during this election, and Democrats lost seats, she may have had another opportunity. He didn't. She won't.

DISTRICT 56 (50% D - 29% R - 17% DS)

Bermudez (D*)	**58,607**	**61%**
Brantuk (R)	38,367	40%

DISTRICT 57 (51% D - 29% R - 17% DS)

Chavez (D*)	**66,081**	**69%**
Valenzuela (R)	30,365	31%

Had the Republican candidate been *Fernando* Valenzuela instead of Victor Valenzuela — and had this been 1982 instead of 2004 ...

DISTRICT 58 (53% D - 28% R - 15% DS)

Calderon (D*)	**63,601**	**62%**
Topalian (R)	39,200	38%

Say, are there any more at home like you? Seems there always are. Incumbent Ron is the third brother to hold this seat, following in the illustrious footsteps of Charles and Tom.

DISTRICT 59 (33% D - 48% R - 14% DS)

Harden (D)	55,512	38%
Mountjoy (R*)	**84,854**	**58%**
Ward (L)	5,691	4%

DISTRICT 60 (31% D - 48% R - 17% DS)

Martinez (D)	43,924	34%
Huff (R)	**83,734**	**66%**

Among the Republican candidates defeated by Diamond Bar Mayor Bob Huff in last March's primary was Gayle Pacheco — the wife of the termed-out incumbent, Bob Pacheco.

DISTRICT 61 (48% D - 33% R - 14% DS)

McLeod (D*)	**47,093**	**64%**
Wapner (R)	26,636	36%

This race started out as targeted and competitive, with two-term incumbent Gloria Negrette McLeod in Republican crosshairs. But a few opposition research broadsides from Democrats sank the paper battleship piloted by Republican Alan Wapner — an Ontario councilman. One of those salvos — suggestions that the candidate fathered children by several women — was below the waterline, but another dealing with his various workers' compensation claims toppled Wapner's smokestack. Republicans quietly abandoned ship, leaving their candidate to sink alone.

DISTRICT 62 (53% D - 30% R - 13% DS)

Baca (D)	**40,401**	**65%**
Mendoza-Ware (R)	21,499	35%

If the name seems familiar, it is. This would be Joe Baca Jr., son of the area's incumbent congressman. Said to be a chip off the old blank.

DISTRICT 63 (36% D - 47% R - 14% DS)

McNamee (D)	39,152	35%
Emmerson (R)	**66,156**	**59%**
Keedy (L)	7,654	7%

Okay, he had no chance to win, but no candidate anywhere had a better name than the Democratic nominee — D'Andre McNamee. It is Republican Bill Emmerson, however, who replaces incumbent Bob Dutton, who left after one term to run for the state Senate.

DISTRICT 64 (34% D - 48% R - 14% DS)

Melsh (D)	49,152	39%
Benoit (R*)	**77,747**	**61%**

DISTRICT 65 (35% D - 47% R - 13% DS)

Ramirez-Dean (D)	48,847	38%
Bogh (R*)	**78,485**	**62%**

DISTRICT 66 (29% D - 52% R - 16% DS)

Nicholson (D)	42,873	36%
Haynes (R*)	**71,994**	**61%**
Lee (L)	2,090	2%

DISTRICT 67 (31% D - 47% R - 17% DS)

Silva (D)	37,194	30%
Harman (R*)	**78,637**	**64%**
Westwell (L)	7,910	6%

DISTRICT 68 (32% D - 45% R - 18% DS)

Snook (D)	36,939	42%
Tran (R)	**51,170**	**58%**

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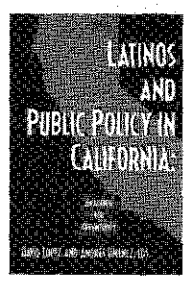

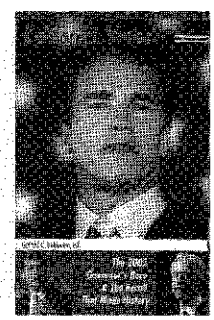

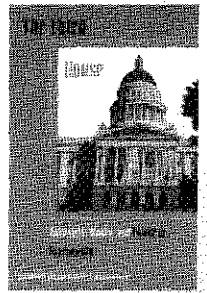

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Garden Grove City Councilman Van Tran comes to Sacramento as a community hero with national overtones. He is the first Vietnamese-American ever elected to state government in California and the highest-ranking elected Vietnamese official anywhere in the United States.

DISTRICT 69 (48% D - 32% R - 16% DS)

Umberg (D)	**25,136**	**62%**
Bade (R)	12,740	31%
Reis (L)	3,013	7%

Republican Otto Bade had the toughest election assignment of any candidate for the Legislature, including those waging battles in competitive districts. Bade had to run against a phantom — former Assm. Tom Umberg, who these days is Col. Tom Umberg on active duty with the U.S. Army at Guantanamo Bay, Cuba. A reserve military attorney, Umberg was prohibited from campaigning, and Bade could do precious little to offset the image a man called to the colors.

DISTRICT 70 (28% D - 50% R - 19% DS)

Mariz (D)	46,656	36%
DeVore (R)	**79,274**	**61%**
Baldwin (L)	4,737	4%

DISTRICT 71 (27% D - 54% R - 16% DS)

Foster (D)	41,688	32%
Spitzer (R*)	**89,650**	**68%**

DISTRICT 72 (32% D - 48% R - 16% DS)

Johnson (D)	30,612	31%
Daucher (R*)	**65,999**	**66%**
Cross (L)	3,693	4%

The Democratic candidate's name — Ross Johnson — is legendary in Orange County politics. Unfortunately for Democrats, it is not the same Ross Johnson who was termed out this year after a long and distinguished career in the Legislature.

DISTRICT 73 (27% D - 51% R - 18% DS)

Calzada (D)	38,066	32%
Walters (R)	**73,419**	**62%**
Favor (L)	6,240	5%

DISTRICT 74 (29% D - 47% R - 19% DS)

Underwood (D)	52,715	40%
Wyland (R*)	**75,198**	**57%**
King (L)	4,300	3%

DISTRICT 75 (29% D - 45% R - 22 DS)

Heumann (D)	52,936	38%
Plescia (R*)	**83,234**	**60%**
Senecal (L)	3,140	2%

DISTRICT 76 (40% D - 31% R - 23% DS)

Saldana (D)	**73,232**	**55%**
T. Hunter (R)	54,284	41%
Osborne (L)	6,106	5%

If you've made a living recently as a lobbyist, how much distance can you put between yourself and your client list? That was a significant question for Republican Tricia Hunter, a former legislator trying to make a comeback after a 12-year absence from the Assembly. One of her clients was Enron, the infamous energy giant that bellied up a few years ago after soaking Californians for millions of dollars in inflated energy costs during the 2000 energy crisis; a crisis launched in the very city that is home to this district — San Diego. So, Hunter's answer to the question was: "Enron who?" Unfortunately, Democrats TP-wrapped Enron and just about every energy/oil company this side of Bahrain, delivering them to district voters, repeatedly, with little notes saying, "friends of Tricia Hunter." And so another Assembly race veered away from issues that might actually concern a citizen. Hunter's opponent, community college instructor Lori Saldana, was a surprise winner in the March primary, defeating a pair of better-known and better-funded opponents. She won because the other two engaged in a murder-suicide, but along the way she put together a grassroots network of environmentalists and others that served her well in the fall. The attack points between Hunter and Saldana were clear. Saldana, fueled by millions of dollars from the state Democratic Party, went after Hunter tooth and tong for her past association with Enron, et al. She also turned Hunter's supporters against her, calling attention to the financial artillery she received from business interests that was manifested in huge IE campaigns by JobsPAC, realtors, horseracing interests, developers and dentists (some $400,000 in all). Hunter, on the other hand, gambled on the race card, attacking Saldana for supporting drivers' licenses for illegal immigrants, opposing a border fence and allowing illegals to attend community college free of charge. Virtually all of Hunter's TV buys hammered Saldana over immigration. As results show, Hunter's focus on immigration was a mistake. This is a coastal district and tends to be more liberal than other San Diego enclaves, with the high percentage of decline-to-state voters tacking left as well. Saldana, considered something of a prickly personality, replaces Democrat Christine Kehoe who left the Assembly one term early to run successfully for the state Senate.

Saldana

Hunter

DISTRICT 77 (30% D - 47% R - 18% DS)

Larkin (D)	41,216	32%
LaSuer R*)	**82,939**	**65%**
Hall (L)	3,815	3%

DISTRICT 78 (42% D - 35% R - 18% DS)

Davis (D)	56,224	48%
S. Horton (R*)	**58,049**	**49%**
Hale (L)	3,711	3%

Election Night was *déja vu* all over again for rookie incumbent Republican Shirley Horton. Two years ago, she had to sweat through a long week before finally knowing that she had beaten Democrat Vince Hall. This time, she sweated through another tough few days, waiting for absentee ballots to confirm or deny her a second term against Democrat Patty Davis. It was a Punch-and-Judy campaign, with each side taking turns whacking on the opponent. Davis confined her broadsides to Horton's legislative record, or lack thereof, calling attention to her low rating by environmentalists and civil-rights groups. She also went after Horton for missing nearly 400 votes but also singling out one she did cast — for a bill favorable to oil companies after taking $32,000 in contributions from the likes of BP, ExxonMobil and ChevronTexaco. The

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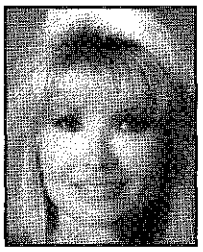
Davis


Horton

information was selective, however, as Democrats neglected to point out that some of those same corporations also contributed to their side. Democrats also chirped about what they called Horton's hypocrisy over salary — she noisily insisted that her legislative pay stop during last summer's budget impasse then quietly sought to have it restored retroactively once the budget was approved. They also pointed out that the San Diego lawmaker continued to collect her $140-a-day per diem during the impasse. Horton, meanwhile, focused on Davis' business dealings, including an eleventh-hour TV spot to remind voters that Davis' real estate license once had been suspended. Republicans also hammered at Davis for having tax liens in her past. Both sides had plenty of money and resources, with much of it coming from the two statewide parties. Davis also benefited from IE campaigns from Opportunity PAC, a coalition of nurse, teachers and labor unions. The New Majority PAC, a group of moderate Republicans, helped Horton, as did Gov. Arnold Schwarzenegger, who stumped for her during the final days of the campaign. Horton's search for cash sparked a controversy in October when Democrats complained that a member of the governor's cabinet — legislative secretary Richard Costigan — was the featured guest at a Sacramento schmooze fest to raise money for Horton. Democratic state Sen. Dede Alpert of San Diego, among others, publicly grumped about it and Costigan bowed out. Eventually, the entire event was cancelled. In the end, Horton prevailed in a district that leans ever so slightly toward Democrats, has elected Democrats in the past but also has shown remarkable loyalty to incumbents.

DISTRICT 79 (46% D - 30% R - 19% DS)

Vargas (D*)	**62,090**	**86%**
Conroe (L)	10,505	14%

An easy election season for two-term incumbent Juan Vargas. Go ahead. You can write that down.

DISTRICT 80 (46% D - 38% R - 12% DS)

Andreas (D)	38,300	42%
Garcia (R*)	**53,424**	**58%**

Democrats have been grumpy over the loss of this seat for two long years. They never never never should have lost it to Republican Bonnie Garcia in the first place, they argue, blaming their ill fortune on a mediocre candidate (since discarded) and poor voter turnout in 2002. So, they came back at the district again, recruiting who they thought would be a much more viable opponent for Garcia — Mary Ann Andreas, former head of the Morongo Band of Mission Indians, one of the state's powerful gambling tribes. The result was substantially worse. Two years ago, Garcia eked out a 2-point victory. This time, she coasted. The district sits in two counties, including all of Imperial and a portion of Riverside, and is generally considered a battleground despite a marginal Democratic registration edge. That edge is provided by Imperial, the county with the highest percentage of Democratic registrants in the state. The district is competitive

Andreas

Garcia

because turnout in Imperial is always problematic, and because Republican-leaning Riverside contains more than twice as many voters. As with two years ago, the inability to roust Imperial voters put a serious dent in Democratic dreams — turnout there was 48% compared with 60% in Riverside County. Not only that, Garcia carried 60% of the *Imperial* vote, a stinging defeat for Andreas given the fact that Democratic U.S. Sen. Barbara Boxer also got 60% in Imperial. The Imperial collapse as much as anything accounted for Garcia's runaway re-election. In truth, despite substantial help from the Democratic Party, Andreas' campaign gained little traction. Few IEs weighed in for her, possibly because internal polls showed Garcia with a commanding lead. Garcia, on the other hand, was backed by IEs from Republican Party central committees, Wal-Mart, EdVoice and various law-enforcement groups — notably, the prison guards' union which paid for several TV buys.

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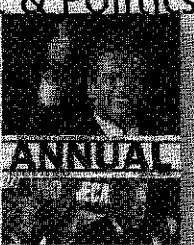

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PROPOSITIONS WIN

With very little of consequence involving real people on the ballot, the California electorate turned to the business of legislating — as embodied in 16 ballot propositions. Five involved healthcare, while four pairs of measures dealt with Indian gaming, local-government funding, primary election law and public safety. The remaining three concerned the sale of surplus public land, class-action lawsuits and the open meetings law. It is estimated that all sides raised and spent in excess of $200 million on these competing propositions. A full description of each initiative, complete with background information and arguments for and against, can be found in the October *California Journal*.

HEALTH

Proposition 61: Children's Hospitals

Yes	**6,020,905**	**58%**
No	4,367,258	42%

Proving it's hard to say "no" to vulnerable kids, there was no organized opposition to Prop. 61, which authorizes $750 million in bond sales to remodel/expand/equip existing children's hospitals statewide, including five University of California hospitals. Supporters, primarily the hospitals in line for the grants, took no chances, raising $5.1 million, which helped air TV ads featuring actress Jamie Lee Curtis urging voters to watch out for California's kids. The measure won easily, carrying most of the state. It lost only in sparsely populated northern and mountain counties and San Luis Obispo along the coast.

Proposition 63: Mental Health

Yes	**5,618,316**	**54%**
No	4,901,646	47%

In a boost for treatment of the state's estimated 1.3 million residents afflicted with mental illness, voters tagged a 1% tax on California millionaires to pay for expanded mental-health programs statewide. Prop. 63 was a victory for termed-out Assm. Darrell Steinberg (D-Sacramento) who has made mental-health services one of his legislative priorities but without much success in a cash-strapped Legislature. Voters, however, found it easy to tax the state's millionaires — an estimated 25,000 to 30,000 Californians — and approved the measure. It will provide an estimated $275 million the first year and $800 million annually by 2006-07.

Supporters included nurses, police chiefs, family physicians and teachers associations, who called its reliance on community-based programs a proven way to help mentally ill children and adults obtain proper treatment and thus stay off the streets. They helped drum up more than $4.4 million in donations.

Opponents, including state Assm. Tim Leslie (R-Tahoe City) and anti-tax activist Lew Uhler, opposed Prop. 63 as a "feel-good" measure that could backfire by relying on a narrow segment of wage-earners who could be hit by another economic downturn — or decide to move out of state. Opponents clearly didn't tap the pocketbooks of California's wealthiest for support. They raised less than $20,000, a millionaire's spare change.

Even without much opposition, this kind of pocketbook proposal has a built-in constituency both for and against, as county-by-county results show. The measure passed in Democratic coastal counties and in a slice from the San Francisco Bay Area to the Sacramento Delta but failed in Republican regions such as the Central Valley, Inland Empire, Orange and San Diego counties.

Proposition 67: Emergency Rooms

Yes	2,927,542	28%
No	**7,489,344**	**72%**

Despite concerns statewide about overburdened emergency rooms, voters weren't about to tax their telephone bills to relieve the overcrowding. Prop. 67 would have added a 3% surcharge to monthly telephone bills, with some exceptions. Most of the $500 million raised annually would be paid to reimburse doctors and hospitals for treating uninsured patients in emergency rooms. A small portion would have been set aside for emergency medical training and enhancements to the state's 911 emergency call system.

Although Prop. 67 would have limited fees on residential phone bills to 50 cents per month and exempted many low-income residents entirely, there was no ceiling on cell

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OR LOSE

phone or business phone usage. In a cell-phone-saturated state like California, voters wasted no time hanging up on that call. Gov. Arnold Schwarzenegger opposed it, as did most business groups. The medical community rallied behind it, especially emergency room docs, but it lost among voters in every county in the state.

Proposition 71: Stem Cell Research

Yes	**6,376,497**	**59%**
No	4,425,706	41%

In one of the most closely watched ballot measures nationwide, California voters single-handedly created the largest stem cell research program in the country. Last year, some 30 state legislatures contemplated bills endorsing stem cell research but none passed.

In approving Prop. 71, Californians repudiated the Bush administration's stance that limits such research on moral grounds because it involves stem cells harvested from human embryos. Starting next year, California will make available some $350 million annually for embryonic stem cell research — 14 times the $25 million currently funded by the federal government. Prop. 71 supporters hope the 10-year, $3 billion investment will turn California into a hotbed of stem cell research, attracting top researchers, expanding biotech jobs and leading to cures for Parkinson's, AIDS, Alzheimer's and other diseases. California's ambitious program could cost the state $6 billion over the next 30 years, although the first payment won't come due until 2008, a factor cited by Gov. Arnold Schwarzenegger in throwing his support behind the measure.

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Campaign supporters, including patient groups, venture capitalists, biotech firms and a number of wealthy philanthropists, poured money into a blitz of TV ads and mail that capitalized on voters' sympathy for victims of disease and their families. Aside from the governor, Prop. 71 had the support of several Hollywood celebrities, including Michael J. Fox, who suffers from Parkinson's disease, and the late Christopher Reeve, the former "Superman" star paralyzed in an equestrian accident. TV ads featuring Reeve began airing in California just days after his death.

Spending was more lopsided than the result would indicate, given that 41% of the electorate voted "no." Proponents poured $32 million into statewide media buys, compared with just $650,000 raised — and little spent — by the opposition. Opponents were largely fiscal and religious conservatives, as well as some women's groups and the CA Nurses Assoc. who felt stem cell funding was too costly and would compromise women's choices. One celebrity opponent was actor-director Mel Gibson, who entered the fray too late to make any impact but gave voice to those with moral concerns about the research.

Prop. 71 sets up a new state agency, the California Center for Regenerative Medicine, whose 29-member appointed board will determine which universities and research centers receive part of the $350 million each year. Within a week of the election, biotech companies and researchers were lining up to apply for funding, with one stem cell research group saying it could result in a "brain drain" from other states to California.

Proposition 72: Employer Healthcare

Yes	5,158,918	49%
No	**5,387,662**	**51%**

In a state where more than six million residents are without health insurance at any given time, Prop. 72 became a contentious battle over who should pay to provide that coverage. It was a referendum on SB 2, authored by Senate Pres. pro Tem. John Burton (D-San Francisco) and signed by Gov. Gray Davis just one week before he was recalled from office in October 2003. Not long after its passage, business and employer groups began gathering signatures to get an "SB 2 recall" on the November ballot.

The bill would require employers with more than 50 employees to pay for 80 percent of healthcare coverage for all employees working more than 100 hours per month. Those with more than 200 employees would be required to cover their employees' dependents as well. Businesses with fewer than 20 employees would be exempt.

Prop. 72's defeat was a top priority of the California Chamber of Commerce and Gov. Arnold Schwarzenegger, who campaigned against it as another "job killer" that would hurt struggling businesses and send companies fleeing out of state.

Most of the state's major newspapers and a lengthy list of retailers, restaurant owners, hospitals and associations also opposed the measure, saying it would harm businesses and didn't solve the underlying problem of soaring healthcare premiums and uninsured Californians.

The campaign also became something of a referendum on Wal-Mart, targeted by critics for not providing affordable health coverage for its employees. Stung by the criticism, Wal-Mart joined the opposition near the end of the campaign, giving nearly $650,000 to help defeat the measure.

Supporters, including labor unions, nurses and the California Medical Association, called Prop. 72 essential to adequately provide working families with healthcare coverage and relieve the burden on emergency rooms.

In a fevered battle, supporters raised nearly $15 million while opponents raked in more than $18 million — and both spent it on a flurry of TV ads and mail. The narrow result — slimmest among the 16 measures — mirrored the money put into the campaign. After its defeat, Burton laid most of the blame on chamber officials, who he called "selfish, greedy individuals" who won't help "the average working stiff." In the aftermath of a close vote, both sides of the issue, including the governor and Legislature, say they will explore a compromise solution.

INDIAN GAMING

Proposition 68: Card Rooms & Racetracks

Yes	1,720,305	16%
No	**8,960,084**	**84%**

Proposition 70: Tribal Compacts

Yes	2,496,248	24%
No	**8,092,211**	**77%**

The most expensive of all the proposition battles in this year of unprecedented spending centered on a pair of competing initiatives that dealt with gambling on Indian land. One (Prop. 70) was put forward by one of the state's most prosperous and powerful tribes — the Agua Caliente Band of Mission Indians. The other (Prop. 68) was sponsored by a coalition of racetracks and card clubs that have seen their share of gambling dollars shrink since the tribes secured a monopoly on casino gaming with the passage of previous initiatives (Prop. 5 in 1998 and Prop. 1A two years later).

From the outset, both measures had a very powerful

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opponent — Gov. Arnold Schwarzenegger — who joined these very different and competing initiatives at the hip and made their dual rejection the centerpiece of his campaign activity. Schwarzenegger raised copious amounts of money, pouring the proceeds into what became a double landslide.

Not that the governor and his allies did much heavy lifting — more like a shove downhill. Polls from the outset indicated that neither proposition was very popular. In an August Field Poll, for instance, Prop. 68 trailed by 18 points, the slightly more popular Prop. 70 by only 13 points. And this was *before* the governor ramped up a campaign against them. The situation deteriorated from there, so much so that by early October, Prop. 68 proponents pulled the plug after having invested nearly $28 million.

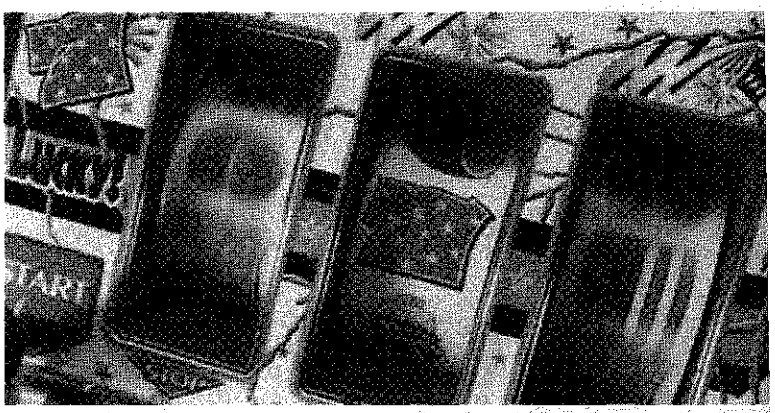
Prop. 68 never really had a chance. It offered to continue the tribal monopoly on casino gaming if the tribes paid 25% of their "net win" to the state. If tribes refused, as they surely would do, the monopoly was broken and card clubs and racetracks could open competing casinos, with up to 30,000 slots authorized in six urban counties. That raised a red flag the size of Coronado Island with voters.

Opponents warned that card rooms and tracks would open a casino next door to every suburban school, and they put a face on Prop. 68 — *Hustler* magazine publisher Larry Flynt, who owns a card room. They used Flynt as a club, bashing him over the head of any politician who dared support Prop. 68. Law enforcement officials and groups entered the fray against Prop. 68, as did a number of statewide officeholders, the League of California Cities, state PTA, the AFL-CIO and the association of counties. The effort to defeat Prop. 68 may have been the only issue over which Schwarzenegger and his arch-nemesis — Democratic state Treas. Phil Angelides — agreed. The "no" side had raised some $54.3 million by late October but the final tally will run higher.

Prop. 70 was a tougher nut, given than it was backed by several well-heeled tribes led by the Agua Calientes, who stuck by their proposal to Election Day. The measure sought to force the state to negotiate tribal gaming compacts in exchange for revenues equal to the prevailing corporate income tax rate (usually around 8.8%). Schwarzenegger weighed in against this measure because it undermined compacts his administration already had negotiated with a number of tribes. Prop. 70 tribes kicked in more than $26 million by October 16 and continued to spend, some adding another $1 million to the coffer in the weeks preceding the election. They even ran a TV ad featuring former Minnesota Gov. Jesse Ventura.

One major controversy arose over Prop. 70 fund raising and its support from non-tribal groups, notably the Howard Jarvis Taxpayers Assn. The organization backed the measure after a sizeable donation from the tribes, and critics charged that the taxpayers' group had sold its endorsement. Association officials denied the charge.

In the end, it was a moot point, as Schwarzenegger took his anti-gaming crusade into every corner of California, campaigning vigorously for defeat of both gaming initiatives. It was a display of focus and power that $60 million could not turn aside.



LAW AND ORDER

Proposition 66: Three Strikes

Yes	5,079,704	47%
No	**5,724,552**	**53%**

Money talks, and nowhere more loudly than in politics. A perfect case in point: Prop. 66, which was leading in the polls for months but then slipped behind just days before Election Day as some $3.5 million in last-minute campaign cash poured in from well-heeled opponents.

Four weeks before the election, Prop. 66, which would limit California's "Three Strikes and You're Out" law, was favored by two-thirds of likely voters; in the spring, nearly three out of four voters backed it. But by Oct. 27, support had dropped to barely half, and five days later the downward slide was complete.

California's "Three Strikes" law requires that a person who has been convicted of two violent or serious felonies should be sentenced to 25 years to life in prison upon conviction of *any* third felony. About 7,000 of California's 163,000 state prison inmates are third strikers; some 35,000 prisoners are second strikers.

Prop. 66 would have required that the third conviction be for a violent or serious felony, not just any felony, and would apply retroactively. Supporters said the change was necessary to prevent sentencing abuses and ease prison overcrowding, while opponents said any change to the law would weaken it. During the final days of the campaign, Gov. Arnold Schwarzenegger said 26,000 prisoners would be released if Prop. 66 was approved — a flagrant exaggeration that was refuted by the state Legislative Counsel.

Prop. 66 also would have removed some crimes from the violent or serious category, meaning that conviction of these crimes could not be counted as "strikes." For example, attempted burglary, conspiracy to commit assault, nonresidential arson without injuries and threats to commit criminal acts are all listed as violent or serious under current law. Under Prop. 66, they would not have been counted as strikes. Murder, robbery and rape would have

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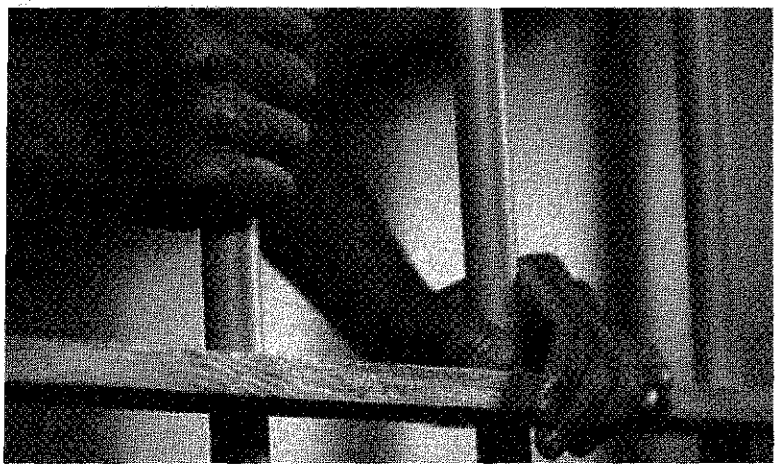

continued to be counted as strikes, however, and some kinds of sex crimes would have required longer sentences.

In some respects, Prop. 66 was a family affair.

Jerry Keenan, a Sacramento businessman whose son was sent to prison for killing two people in a traffic smashup while driving drunk, brought it to the ballot. Keenan donated the money to collect signatures to qualify it for the ballot.

A key opponent, Orange County businessman Henry Nicholas II, whose sister was murdered in 1984 by her boyfriend, donated $3.6 million in the final days to defeat Prop. 66, while Schwarzenegger put in a $1 million, as did the California Correctional Peace Officers Association, the prison guards' union. Indeed, about half of all the money spent against Prop. 66 came in the final 10 days or less.

A major supporter was Joe Klaas, whose granddaughter, 12-year-old Polly Klaas, was abducted and killed in 1992, a crime that generated widespread public support for the original "three strikes" law. That law, spearheaded by Mike Reynolds of Fresno, whose daughter was killed, was approved overwhelmingly by voters in 1994 as Prop. 184. Klaas and his son, Marc, were divided over the issue: Marc, Polly's father, opposed it. Another big supporter was George Soros, a wealthy N.Y. financier who has donated to several California drug- and crime-related initiatives in the past.

Proposition 69: DNA Testing

Yes	**6,557,645**	**62%**
No	4,025,560	38%

The second law-and-order measure on the ballot was Prop. 69, which authorized the expansion of DNA testing to anyone convicted of or arrested for certain types of felonies. Proponents, including Gov. Arnold Schwarzenegger and Atty. Gen. Bill Lockyer, argued in a low-key campaign that 34 other states already maintain all-felon DNA databases, which can help both convict and exonerate those arrested for crimes. Opponents sought to make it a privacy issue, noting that because it includes adults arrested — but not yet convicted — of certain crimes, the DNA of potentially innocent people would end up in a criminal database. No funding materialized to defeat the measure, however, while the bulk of money for the pro-Prop. 69 campaign came from one source — Orange County businessman Bruce Harrington, whose brother and sister-in-law were murdered in a still-unsolved 1980 crime. Gov. Schwarzenegger's Recovery Team, the repository for much of his fund raising, chipped in more than $100,000 to the campaign during the final week as well. The measure passed in every county but one — Humboldt along the north coast. In addition to having a lot of trees and Humboldt State University in Arcata, Humboldt also is home to Pelican Bay, the state's most notorious prison. Prop. 69 lost in Humboldt by a few hundred votes out of nearly 56,000 cast.

PRIMARY ELECTIONS

Proposition 60: Protection of Parties

Yes	**6,602,709**	**68%**
No	3,184,310	33%

Proposition 62: Open Primary

Yes	4,673,196	46%
No	**5,456,504**	**54%**

The battle between Props. 60 and 62 was the product of fear — fear by the two major political parties and their legislative minions that any attempt to make the state's primary election more inclusive would undermine the clout of party officials and the legislative caucuses responsible for conducting elections to the Legislature.

The catalyst was Prop. 62, an initiative that would have allowed voters to cast ballots in primary elections for any candidate regardless of party affiliation. The general election would then be a run-off between the two highest vote getters in the primary — again, regardless of party affiliation. In theory, it would produce more moderate elected officials by forcing candidates in safe legislative and congressional districts to appeal across party lines. But it also would eliminate all third parties from the general election.

Lawmakers, however, sought to preserve the status quo by placing Prop. 60 on the ballot as a counter measure. It required that any party that ran a candidate in a primary also be represented on the general election ballot. Their purpose was two-fold. Ideally, passage of Prop. 60 would codify the current system. But competing measures often confuse the electorate, causing them to vote down both proposals. That, too, would have suited proponents of Prop. 60, for their real aim was the demise of Prop. 62. If Prop. 60 passed, so much the better. If they both passed, then the proposition with the most votes took effect.

In this case, Prop. 60 forces got the best of all worlds. Their measure passed, while Prop. 62 was defeated in what was a low-key campaign. Head-to-head, Prop. 60 beat Prop. 62 by nearly 2 million votes, despite support for Prop. 62 from a wide range of business groups and elected officials, both past and present. The "yes" campaign raised more than $5 million, substantially more than the campaign for Prop. 60, funded in large measure by legislative

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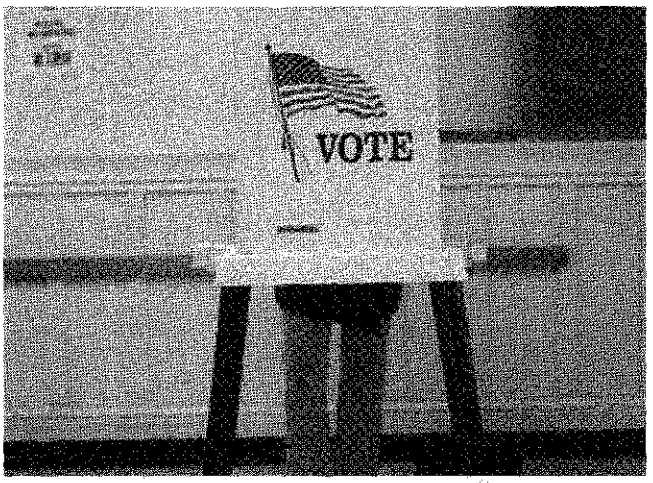

allies such as trial lawyers. In the end, voters were not much in the mood to tinker with their election system. Prop. 60 passed in every county in the state, while Prop. 62 failed in all but seven counties.

Proposition 60A: Surplus State Property

Yes	**7,103,944**	**73%**
No	2,600,957	27%

Prop. 60A was the stepchild of Prop. 60. Originally included in Prop. 60 by the Legislature to make the overall package more appealing to voters, Prop. 60A was separated from its parent by the courts, which ruled that the package violated a law that confined ballot measures to a single subject. Clearly, the court reasoned, the sale of state property and a system for conducting primary elections were unrelated — judicial wisdom that is hard to refute. Rather than kill Prop. 60, however, the court cleaved it in two. There was no opposition — and not much in the way of support or a campaign — for Prop. 60A, but the electorate seemed able to make up its mind without goading from spin-doctors.

LOCAL GOVERNMENT FINANCING

Proposition 1A: Local government finance

Yes	**8,601,096**	**84%**
No	1,678,695	16%

Proposition 65: Local government finance

Yes	3,545,706	37%
No	**5,935,979**	**63%**

Every ballot needs comic relief, and the circumstances surrounding Props. 1A and 65 provide it. Both measures deal with how the state funds local government. Prop. 65 was an initiative placed on the ballot by cities and counties in an attempt to stop state government from using their revenues as an auxiliary piggy bank. It was meant as their club and a safety net while trying to work out a deal with the governor and Legislature on local-government funding during 2004 budget negotiations. An agreement eventually was signed and became Prop. 1A.

Once the deal was struck, the cities and counties abandoned Prop. 65. In fact, they eventually signed ballot arguments against their own initiative, urging voters to support Prop. 1A instead. They then raised $8 million to ensure passage of Prop. 1A and a quick demise for their own child. Gov. Arnold Schwarzenegger, as party to the deal for Prop. 1A, campaigned hard for it.

Essentially, it reduces state authority over local government funding by preventing the state from reducing local sales tax rates or changing how those tax revenues are allocated. It also bans the state from shifting property tax revenues from local governments to schools and community colleges and prevents the state from reducing the vehicle-license fee without first providing local government with another source of revenue. As results clearly indicate, there was no organized opposition to Prop. 1A.

PUBLIC RECORDS

Proposition 59: Open Meetings

Yes	**8,531,563**	**83%**
No	1,702,335	17%

California's open-meeting laws have been riddled with loopholes since the passage of the Ralph M. Brown Act in 1953. Conducting the public's business in public to maintain an informed citizenry seems to be an obvious

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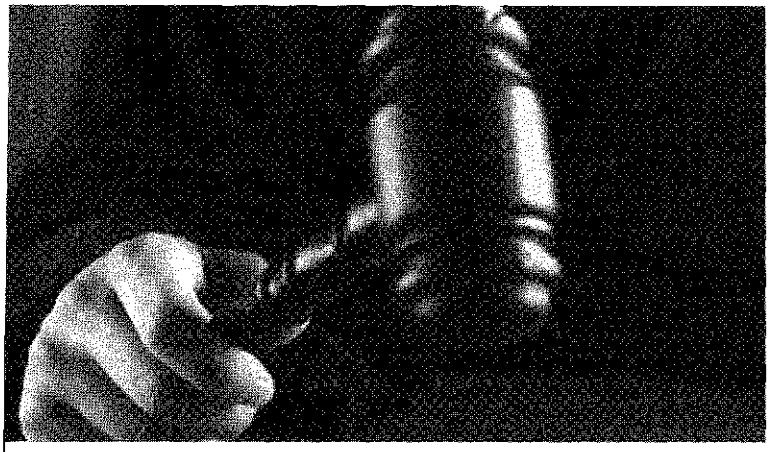


and simple notion, but the reality is far different. The Brown Act often has been hailed as a national landmark law, but prosecutions for violations are rare; convictions rarer still.

The real power of the Brown Act, which applies to local city councils, boards of supervisors and myriad local bodies, lies not in the courts but in the press, which brings violations to the attention of the public. Changes to strengthen the Brown Act have been made over the years, most notably in 1994, but the exemptions also were expanded. Secret meetings may legally be held to consider some fiscal matters, lawsuits, investment discussions, personnel issues and other sensitive matters. The documents that public officials exchange between themselves to reach decisions also may be held confidential. Committees formed from elected bodies that do not have a majority of that body's voting members also may be exempt, along with advisory committees.

The crux of the Brown Act is that the burden in on the public to show that access is required. This can be a difficult test, in part because public access advocates often cannot afford attorneys. Two attempts to dramatically strengthen the Act were vetoed by former Gov. Gray Davis.

But on Nov. 2, voters approved Prop. 59 by more than 5-to-1, making the most significant change to open-meeting laws in decades. Authored by former Sen. John Burton (D-San Francisco), it does three things. First, it amends the state constitution to say that the public has a right to access. Second, and perhaps most important, it shifts the burden of proof to the city council or board of supervisors to demonstrate that proceedings should be kept secret. Finally, Prop. 59 requires the courts to broadly construe laws allowing access and to narrowly construe rules denying it.

UNFAIR BUSINESS PRACTICES

Proposition 64: Lawsuit Limits on Businesses

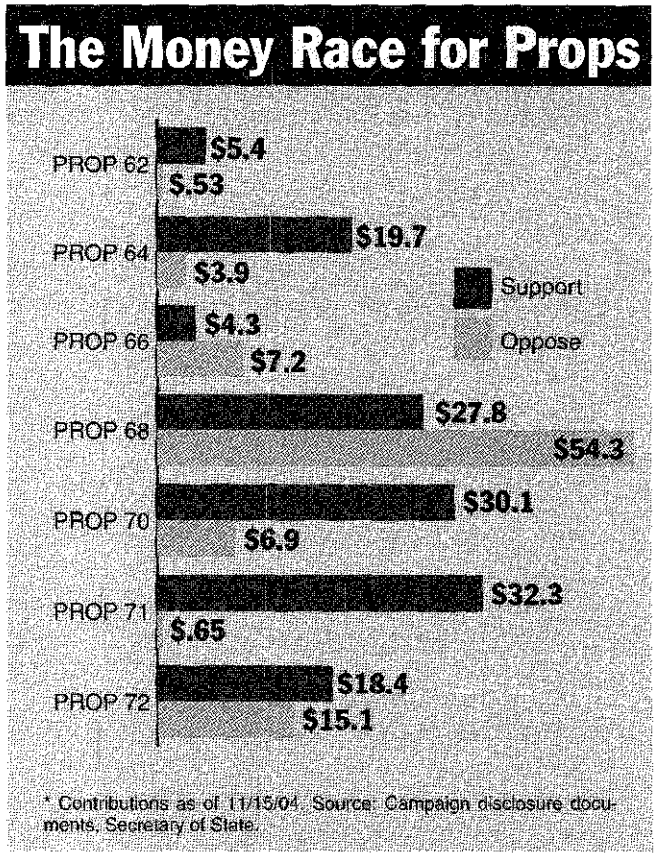
Yes	**6,007,785**	**59%**
No	4,179,042	41%

Few issues unite California businesses, large and small, as strongly as their distaste for the state's unfair competition law, which companies believe offers lawyers carte blanche to file frivolous lawsuits and engage in legalized extortion. That such suits have been filed is no secret — nail salons and automobile dealers have been major targets — and pressure to repeal or curtail the law has been building for decades.

The law has allowed members of the public, even if they did not suffer an injury, to sue companies on their own or on others' behalf. The statute, 132 years old, has been amended frequently over the years, and the unfair competition provisions targeted in Prop. 64 were added during the Great Depression.

Prop. 64 — supported by business groups, car dealers and Gov. Arnold Schwarzenegger — sharply limits the use of unfair competition lawsuits. It would outlaw suits filed by anyone other than a prosecutor or a person who showed an injury or financial loss. The private suits that are filed would have to meet the stringent court-certification rules required for class-action suits.

The advertising campaign favoring Proposition 64 was financed largely by large corporations, who spent some $19.7 million, mostly for TV ads, about five times as much as the opponents, who spent about $3.9 million. Among the leading proponents were the automobile dealers, who established a separate committee to push the proposition. The auto dealers were not alone in their support of Proposition 64: The U.S. Chamber of Commerce kicked in $500,000, and there were $100,000 donations from Bank of America, Microsoft, the state Realtors association, Intel, State Farm and others.



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Gale Kaufman, the Dems' "consigliore"

by Anthony York

The political stock of those who advise candidates for public office ebbs and flows with the latest political tide. One cycle may prove disastrous for a particular consultant. But redemption can be just an Election Day away.

Gale Kaufman has been on both ends of the consultant teeter-totter this year. It began with the defeat of Prop. 56, which would have allowed the Legislature to pass a budget with a 55 percent majority instead of two-thirds. Weeks after that loss, Kaufman's top client, the California Teachers Association, and Rob Reiner abandoned a multi-million-dollar effort to rewrite Prop. 13 to pay for new preschool programs.

But this spring, Kaufman's fortunes changed, and arguably no consultant has had a better second half of of 2004 than the longtime Democratic consigliore. She is now one of the top political advisors to Assm. Speaker Fabian Nuñez (D-Los Angeles), who is positioned to become one of the most powerful speakers in California in the post-term limits era.

Kaufman also helped bring home two candidates in competitive Central Valley races — guiding the re-election of Assm. Nicole Parra (D-Hanford) and electing Fresno County Supe. Juan Arambula to succeed Assm. Sarah Reyes (D-Fresno).

But more than those two individual victories, Kaufman served as coordinator for Assembly Democrats, who faced massive efforts to target Democratic incumbents and open Democratic seats. It was an effort joined not only by Assembly Republicans, but by a collection of business interests and Gov. Arnold Schwarzenegger. In all the seats targeted by Republicans, Democrats held off the challenges.

While the governor enjoyed great success in passing and defeating ballot measures, Assembly Democrats ensured the governor lost every single race in which he endorsed a candidate in a district previously held by a Democrat. As a result of their success, Assembly Democrats appear to have emerged from this election emboldened to challenge the popular governor.

When Kaufman agreed to help the coordinated Democratic Assembly campaigns this year, it was a return to familiar turf. Kaufman started out as an employee in the Speaker's Office of Majority Services (SOMS), working under now-consultant Ritchie Ross while Willie Brown was speaker. In 1987, after Democrats suffered big losses in the Assembly, Kaufman ventured out to start her own firm, Kaufman Campaign Consultants. Five years later, after the birth of her son, Kaufman was back working for Willie Brown, this time as director of SOMS, departing again when Brown left to run for mayor of San Francisco.

Since leaving SOMS a second time, Kaufman has been involved in every election, primarily as a consultant to individual Democratic candidates. She had a close relationship with former Spkr. Antonio Villaraigosa, but was less active in overall caucus decisions under Robert Hertzberg and Herb Wesson.

With term limits, consultants are looked to for the institutional knowledge and political know-how that many Sacramento newcomers lack.

Since the mid-1990s, her consulting work has focused on initiative campaigns.Kaufman has run campaigns for two of the state's largest political donors — the California Teachers Association and the Service Employees International Union.

In 1998, CTA and SEIU joined forces to fight Prop. 226, which would have limited labor unions' ability to raise money for political campaigns. Kaufman led the effort that defeated the measure, which was backed by Gov. Pete Wilson. Kaufman also spent some time on the national stage, serving as Bill Bradley's campaign consultant during his 2000 primary challenge against Al Gore.

Though consultants' power has increased since the 1990s, their numbers haven't. It is still a relatively select crew of professional political operatives who take on most new candidates for office. With term limits, consultants are looked to for the institutional knowledge and political know-how that many Sacramento newcomers lack, making advisors like Kaufman all the more important, and powerful.

Kaufman says she's surprised the consulting fraternity has remained so exclusive, and so dominated by men. "I thought by now there'd be a lot more of us, especially with term limits," she says. "But I think candidates are afraid to try somebody new, somebody that the lobbyists haven't heard of. It's a shame, because there's plenty of work to go around."

Anthony York is editor of Political Pulse, *a Sacramento-based newsletter about California politics. Send comments to* **comments@californiajournal.org**

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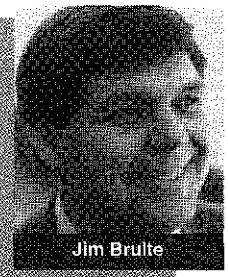
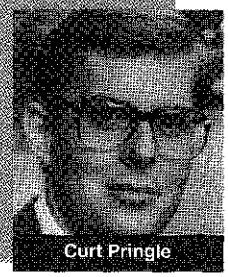
people changes

GOP Lawmakers

Revolving doors

GOP Senate leader **Jim Brulte,** termed out of office last month and a potential state Bd. of Equalization candidate in 2006, has opened an Inland Empire office in Rancho Cucamonga for California Strategies, the consulting firm launched by Bob White, Gov. Pete Wilson's former chief of staff in 1997. California Strategies recently merged with Snodgrass & Micheli, the Sacramento lobbying firm whose owner, Chris Micheli, will head California Strategies' lobbying practice. Meanwhile, former Assm. **Curt Pringle,** who's been mayor of Anaheim since 2002, recently dropped his lobbying license with his Irvine-based consulting company, Curt Pringle and Associates. Through a spokesman, Pringle said he's looking at other opportunities that don't involve being an "on-the-ground lobbyist" in Sacramento.


Jim Brulte


Curt Pringle

Administration

Gov. Arnold Schwarzenegger has been busy in recent weeks replacing several high-level appointees. He tapped **Tom Campbell,** former state Senator and U.S. Congressman from Silicon Valley, as the state's new finance director ($131,400), replacing Donna Arduin, who left after one year. Campbell is taking a leave from his post as dean of the UC Berkeley Haas School of Business. ... With the departure of MaryBel Batjer, the governor moved **Terry Tamminen,** who was serving as CalEPA Secretary, into the Cabinet Secretary post ($123,300). ... The governor's new Employment Development Department (EDD) director ($123,00) is **Patrick Henning,** a longtime labor activist and labor policy consultant to the Legislature. In the 1980s, Henning was state labor commissioner under Gov. Jerry Brown and served on the state Agricultural Labor Relations Board. ... The state's new CalTrans director is **Will Kempton,** ($123,300), the former asst. city manager for Folsom and onetime director of a Bay Area transportation agency. ...The governor's chief in Washington, D.C., **Stacy Carlson,** is taking a VP post with the Motion Picture Assn. of CA, promoting the state's film industry. ... **Linda Cabatic,** former chief counsel in the Secty. of State's Office and former attny. in the Attorney General's Office, becomes chief deputy director, Dept. of General Services ($118,200). ... **Candice Traeger,** former CA public affairs director for United Parcel Service (UPS), was named chair of the Occupational Safety and Health Appeals Board ($103,300). ... **Dennis Boyle,** Riverside County's former director of public social services, was appointed director, Dept. of Social Services ($123,300). ... **Greta Wallace,** a Dept. of Social Services administrative law judge, was named director, Dept. of Child Support Services ($123,300). ... **David Titus,** former chief of staff to Sen. Rico Oller (R-San Andreas), was named deputy legislative director, Dept. of Forestry and Fire Protection ($94,800). ... New chief counsel for the Office of Inspector General ($112,000) is **Barbara Sheldon,** formerly a deputy attorney general in the AG's health/education/welfare division. ... **Philippe Auclair,** manager of market/regulatory affairs for Mirant Technologies, Inc., was appointed as policy/planning advisor to the state Public Utilities Commission ($111,800). ... Two new appointees to the State Lottery Commission ($100 per diem) are: **Loretta Doon,** associate executive director of the California Teachers Association, and **John Mass,** an executive VP with the William Morris Agency, Inc. in Los Angeles. ... **Eunice David,** former president of the Los Angeles County Music and Performing Arts Commission, was appointed to the California Arts Council ($100 per diem). ... **Jehan Flagg,** owner of Flagg Communications group, was named deputy communications director, Dept. of Industrial Relations ($91,000). ... **Stacy McMullen,** a Los Angles Harbor College student, was appointed to the CA Community Colleges Board of Governors ($100 per diem). ... **Kim Smith,** executive director, Board of Chiropractic Examiners, was named special advisor to the State Lottery ($81,400). ... **Richard Shapiro,** owner of Winco Asset Management, Inc. and former Western Harness Racing president, was appointed to the CA Horse Racing Board ($100 per diem). ... The governor named two appointees to unpaid posts on the Independent System Operations (ISO) board:

Tom Campbell with Gov. Schwarzenegger

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Edward Cazalet, CEO of The Cazalet Group, an electric power consulting firm, and **Ken Wiseman** of Affiliated Computer Services, which provides govt. technology training.

Elected Officials

Newly elected Senate Pro Tem Don Perata (D-Oakland) named two to his leadership team: **Sen. Gloria Romero** (D-Los Angeles) as majority leader and **Sen. Kevin Murray** (D-Los Angeles) as caucus chair. ... **Kathy Dresslar,** former chief of staff to Assm. Darrell Steinberg (D-Sacramento), has become legislative director for Assm. Mark Leno (D-San Francisco). ... **Steve Suchil,** former insurance/business/labor consultant to state Sen. Deborah Ortiz (D-Sacramento), moves to the American Insurance Association as asst. VP for commercial/legal issues.... State Controller Steve Westly appointed **Jennifer Galehouse,** formerly with the CA Bay Delta Authority and the California Resources Agency, as his legislative director. ... **Ravi Kahlon,** former legislative asst. to Assm. Manny Diaz (D-San Jose), joined Lt. Gov. Cruz Bustamante's staff as a policy consultant. ... Secretary of State Kevin Shelley appointed three longtime agency officials to his executive office: **Cathy Mitchell,** former business programs division chief, becomes Undersecretary of State; **Pam Giarrizzo,** an elections/business programs attorney, was named chief counsel; and **Caren Daniels-Meade,** political reform division chief, becomes asst. Secty. of State for communications. ... **Anita Gore,** former Dept. of Conservation public affairs director, was named communications chief for the state Board of Equalization.

Kate Howard

Other

The Judicial Council of California, the administrative arm of California's courts, has promoted **Kate Howard** to director of legislative advocacy, replacing Ray LeBov, who returns to private sector lobbying... The L.A. office of Hill & Knowlton, the int'l. communications consulting firm, recently hired **Eric Moses,** former communications director for L.A. City Attorney Rocky Delgadillo and former asst. deputy mayor to Mayor Richard Riordan, as VP of media and public affairs. ... **Alexander Gonzalez,** president of CSUS Sacramento, has been elected chair of the national Hispanic Assn. of Colleges and Universities, representing Hispanic students at more than 390 higher ed institutions.

Eric Moses

These pages are prepared with substantial help from ***"The Capitol Morning Report,"*** *a comprehensive daily e-mail and fax listing of events, appointments, staff changes, lobbyist registrations and fund raisers in and around Sacramento. For more information, call (916) 443-5883.*

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letters to the editor

We took your advice

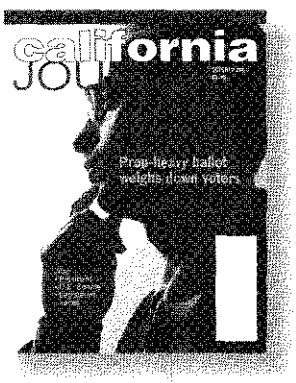
I found your article ["A Seat at the Table," September 2004] a reasonable representation of the circumstances and issues. I would like to expand on the background because some in the Legislature choose not to recall some of the realities that led us to this juncture in history.

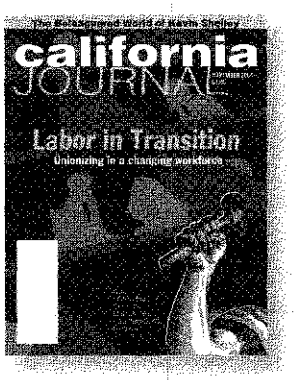
The cities did approach the state Legislature and governor 10 years ago ... with the express purpose to address fiscal reform. The cities were told point-blank by key legislators in both parties it was not going to happen ... because it was too complicated, too political, would require more than a year and was too controversial with other political power interests in the state. In what I believe to be a sincere gesture to help us understand the realities in Sacramento,... we were advised to go back and figure out what we needed to get political capital in the Capitol.

It was good advice and we took that advice. Cities invested four years getting organized through the League of California Cities. We found allies with counties and special districts and built relationships with education, business and community-based organizations. ... It now appears we have political clout and have appeared on [legislators'] radar screens.

It is more than hypocritical for them to now say, "locals have crafted bad public policy." It is not bad public policy to protect the most essential life support like police, fire and paramedic services; to protect child development programs; to protect Meals on Wheels and senior care; to protect the infrastructure of water, sewer, drainage and roads; to protect our citizens from the failure of the state to respond to these needs. It is, in fact, our duty and obligation to redress the failure of government no matter where that failure occurs.

Rod Wood
City Manager, Beverly Hills





Should felons vote?

Regarding the article by Ms. Beverly Vickers ["Should felons have the right to vote?' Soapbox, October 2004]: The simple answer would be for convicted felons to move to another state where being a felon is not an issue. Our society makes it too easy to blame others for our own behavior. We all have to pay a price for our actions, regardless of ethnicity. Quit whining and do something!

Karl Royer
Hayward

Gladiator bias

I just finished reading your piece on the gladiator challenge ["Gladiator Contests Pull No Punches," October 2004]. I am a fan of MMA [mixed martial arts] and a practitioner of Brazilian Jiu Jitsu. As the premiere magazine in politics in Sacramento, I believe you presented a distorted view of MMA.

It seems a little one-sided as you present the sport as a violent, gory show. Most fights do not end in blood and gore but in submissions ... You did not include one picture of a submission but a bunch of blood in every way you could.

MMA is soon to go mainstream with shows on the Fox sports network and Spike TV. It is a shame that articles like yours try to present the sport as a violent and animalistic to those who probably know nothing about it, like our legislators, who will try to bring it down. I am sure that a legislator or staff member who reads your article will be appalled by the blood and gore, none of which they understand. Next thing you know an idea surfaces to make the sport illegal in California.

I hope that you to educate yourself about the sport ... and generate a balanced article that the MMA community can be proud of.

Antonio Alfaro

The "other" CSEA

I want to thank you for your objective and detailed look at organized labor in California ["California Labor's Big Shift," November 2004]. Seldom does major media write with an objective look at the labor movement. However, your examination of "Labor's Old and New" overlooked a major union that has demonstrated sustained net membership growth over the two past decades and has gained considerable influence in our state.

Specifically, I am talking about the California School Employees Association, the "other" CSEA. In 1984, when I was appointed CSEA's director of organizing, the union's membership was approximately 78,300. ... Currently, the union's membership exceeds 200,000.

Additionally, the CSEA received a charter as a member of the National AFL-CIO in 2002, the first charter issued by the national labor organization in several years. Clearly, CSEA's sustained membership growth and recognition on the national labor scene deserve mention.

Howard Lawrence
CSEA Director of Organizing (retired)

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Four more years for California

by Dana Wilkie

At first blush, it may seem the results of November's election will do little to change things in California. The state still has 33 Democrats and 20 Republicans in Congress — just as it did before the election. California's two U.S. senators are still Democrats. Congress still remains in Republican hands. And so, of course, does the White House.

But because of changes in just seven seats — about 1 percent of the entire Congress — the new political mix on Capitol Hill will likely affect California's business community, its environment and the social issues that state voters care about. Thanks to a re-election that Bush considers a "mandate," the country now has a rejuvenated president bent on pushing through policies that eluded him his first term. And thanks to GOP gains of three seats in the House and four in the Senate, Bush now has a Congress more able to accommodate him.

... the new political mix on Capitol Hill will likely affect California's business, environment and social issues

Bush's victory appears to be good news for California's business community. With help from a more like-minded Congress, Bush will again try to make permanent his cuts in capital gains and dividend taxes — now capped at 15 percent until 2008 — and his cut for people making more than $200,000 a year, which benefits small companies that file taxes under the individual code.

He will try again to reign in awards in class-action lawsuits, arguing that many are frivolous and harmful to business. That would include lawsuits that seek huge damages for asbestos-related deaths at a time when several southern California regions have among the highest number of asbestos-related deaths in the country.

To help businesses, the president is expected to continue relaxing environmental regulations. During his first term, Bush reduced the obligation of industrial plants to install stronger — and often expensive — emissions controls when expanding operations. He eased up on those responsible for sewage spills and relaxed laws that hindered developers from building on their land.

Alternative fuels to ease global warming? Bush is the president not yet convinced that global warming is a problem. He backed out of the Kyoto Protocol requiring industrial nations to reduce greenhouse gas emissions, saying it would cost jobs.

Cleaning up Superfund sites? Bush opposes renewing a tax on oil and chemical companies that pays for cleaning these toxic-waste sites, and the new Congress is likely to back him up.

More money for California projects? Bush opposes spending $10 million to restore California's crumbling 21 historic missions, wants to eliminate a plan that reimburses California for the cost of jailing criminal illegal immigrants and may continue slashing money from local fire departments so he can shore up his Dept. of Homeland Security.

It's not just the GOP's increased numbers that will help Bush advance his agenda, but the nature of those who won. In the South, for instance, conservatives with right-leaning agendas are replacing veteran Senate Democrats who were key negotiators between the two parties. As a result, expect Republican moderates to be out-muscled by lawmakers more in line with Bush.

So when Democratic Sen. Dianne Feinstein tries next year to renew her federal ban on assault weapons, which expired in part due to Bush's refusal to press the GOP to extend it — expect her plan to go nowhere.

When Bush again tries to amend the U.S. Constitution to ban gay marriage — even though a 1996 federal law already does this — expect this Congress to be more sympathetic.

Don't expect Bush to spend more on the nation's roads — or to raise the country's gas tax to pay for them — though California traffic congestion is at an all-time high. Bush proposed a highway-spending plan, which Congress is still negotiating, that would take billions from California roads.

True, Bush adopted a conciliatory tone after the election, telling John Kerry supporters that "I will need your support, and I will work to earn it." But, his body language and remarks indicated less willingness to compromise than to conquer.

"I earned capital in the campaign, political capital," Bush said. "And now I intend to spend it."

Bush was the 2000 candidate who promised "compassionate conservatism," then promoted divisive policies on the environment, social issues and Iraq. The reality is that Bush does not have to compromise with congressional Democrats. And that means California is in store for more of what it saw the past four years.

Dana Wilkie is a Washington, D.C., correspondent for Copley News Service. Send comments to **comments@californiajournal.org**

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ALLAN ZAREMBERG

The president of the California Chamber of Commerce has compiled an enviable record of success since Republican Arnold Schwarzenegger became governor. An adroit Capitol insider, his track record with Schwarzenegger's predecessor — Democrat Gray Davis — wasn't all that bad, either. By John Howard

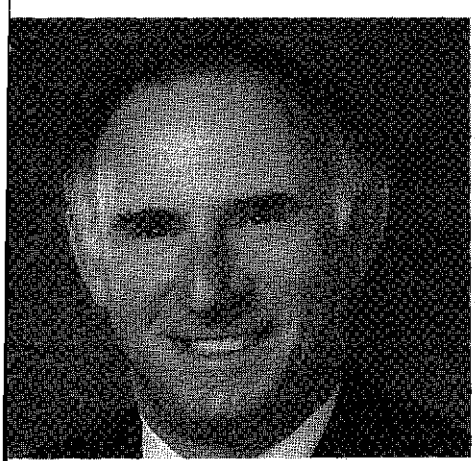
It wasn't the best place for a job interview.

Allan Zaremberg's car went *kaput* on the freeway, and angry motorists glared at him — or worse — as they inched by his stalled vehicle. Zaremberg, a newly minted attorney on his way to the courthouse, was not happy. Neither were the restive drivers behind him, one of whom was Rod Blonien, a friend working in government.

"So Rod stops next to my car in heavy traffic, and he says, 'Hey, I need somebody who will work past 5 o'clock. Will you come back to work?'" Zaremberg recalled.

"I had been at McGeorge Law School and had gone to work for Rod in my second year at the California Peace Officers Association. I was a private attorney then and had been in practice for a couple of years, and I was ready to move on. ... I said 'yes,'" he added.

It was a pivotal moment for Zaremberg, then 32, a Penn State graduate and two years out of McGeorge. It launched a career in government that has spanned two governorships and put him on the path to the job he holds now — president of the California Chamber of Commerce, a 14,000-member pro-business group that even its critics say has the most effective lobbying and advocacy operation in the Capitol (see story, page 46).



Allan Zaremberg

Zaremberg, born in Beaver Falls, Pennsylvania, had come a long way. After graduating with an economics degree from Penn State, Zaremberg spent six years in the Air Force as a captain and navigator on jet refueling tankers. He settled in California, graduated from McGeorge in 1978 and practiced civil law in Sacramento until Blonien made his pitch.

Zaremberg, a football fan, turns 56 in December ("I was born in 1948 on December 29, that's Joe Namath's birthdate, it was Joe Paterno's first year at Penn State"). He and his wife, Karen, live in Loomis, and have a son who is a graduate student at New York University.

Blonien was legislative secretary to Attorney General George Deukmejian, and when the Republican Deukmejian became governor in 1983, Blonien went with him. So did Zaremberg, who later held that position for both Deukmejian during two terms and for part of Republican Pete Wilson's first term. It is a critical job, because it is at the center of any governor's relations with the Legislature. The legislative secretary speaks for the governor on hundreds of bills, coordinates political fights on both floors, twists arms, helps define policy and threatens, wheedles and cajoles. The hours are long, the pay adequate and enemies spring out of the ground — lawmakers whose bills are defeated have long memories.

Perfect training

It was a perfect training ground for someone who later would make his living pressuring government on behalf of business interests. The person now holding this position for Governor Arnold Schwarzenegger is Richard Costigan, himself a former chamber lobbyist and a colleague of Zaremberg's.

When Zaremberg went to the chamber as executive vice president in 1992, he brought with him a working knowledge of the Capitol, the Legislature and the governor's executive suite during two administrations. In 1998 Zaremberg succeeded Kirk West as chamber president, a transition that all who speak of it — at least publicly — say was smooth.

Since then, the chamber, either on its own or as a member of pro-business coalitions, has posted a string of major political victories, including an insurance industry-backed rollback of bad-faith lawsuits, the defeat of employer-financed health care, an overhaul of workers' compensation insurance, a limit on unfair competition lawsuits, the defeat of a minimum-wage increase and the defeat of

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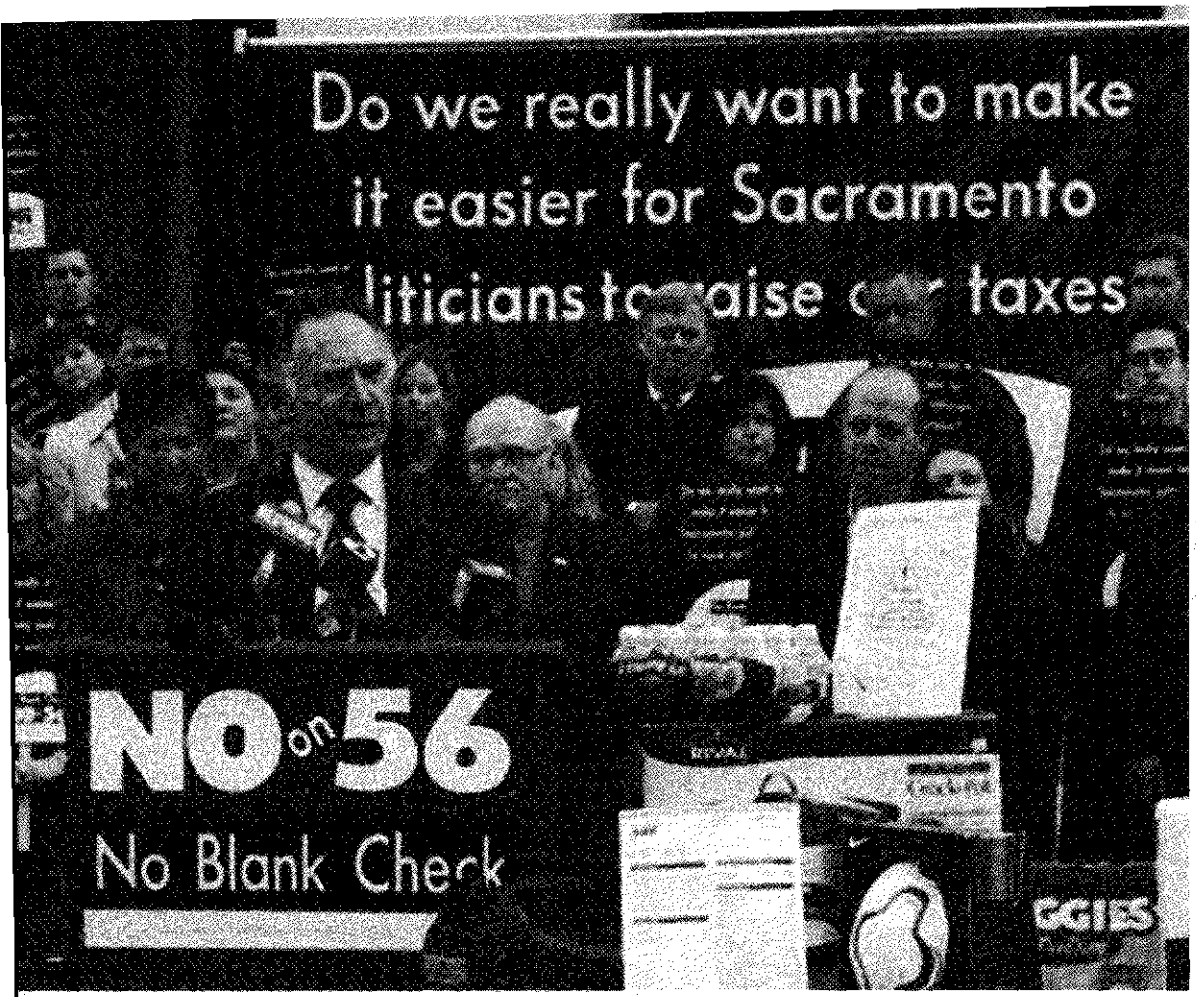

Allan Zaremberg speaking against Prop. 56, written to lower the 2/3rds voting majority for passing tax laws, in the 2004 primary election. Photo: Courtesy of the Chamber of Commerce.

attempts to prevent companies from "outsourcing" jobs overseas. The bills were vetoed by the governor, blocked in the Legislature or resolved at the ballot box — all in the chamber's favor.

Zaremberg was a field general on all the issues, and many others.

"He really gets it. He's realistic. Zaremberg knows that half a loaf is better than none. There are some members of my caucus who would rather have him be more 'capitalistic' or ideological, but he understands all this very well and he is very politically astute," said Senator Bruce McPherson (R-Santa Cruz). "He's also fortunate that circumstance have given him a governor who really wants to improve business."

Senator Charles Poochigian (R-Fresno), who authored the workers' compensation legislation, agreed. "The chamber picks its battles with deliberation. It does not tilt against windmills," he said.

Zaremberg also is a member of the so-called "Ken Maddy Group," a select band of perhaps a dozen powerful lobbyists, policy wonks and McPherson who get together twice a year to play golf and socialize in Monterey and Palm Desert. It was named in honor of the late Republican lawmaker Kenneth Maddy of Fresno.

A 'death grip' on the governor

The chamber's critics — and there are many, especially among Democrats — believe that Zaremberg uses his insider status to advance a classic Republican political agenda that favors big business at the expense of nearly everyone else.

"The strategy is working in Sacramento because Zaremberg and the chamber have a death grip on the Schwarzenegger administration. But it's negative. You haven't seen the chamber get any bills to the governor's desk. More than anything, they have managed to block things," said Doug Heller of the Foundation for Taxpayer and Consumer Rights, a consumer advocacy group.

"It is easier to maintain the status quo than to push Sacramento in any direction. With the confidence that Schwarzenegger will veto whatever they ask him to veto, he [Zaremberg] needs to manage much less in the Capitol itself, and can focus on some of the bills that might be trickier for the governor, such as environmental legislation or health care. The problem is that Schwarzenegger's campaigns are being funded by the chamber and the chamber's high-end members, so you don't know who is fronting for whom," Heller added.

As for Zaremberg, he sees it differently, and believes the chamber is more moderate than its popular image.

"When Gray Davis [a Democrat] took office and people were appointed, I offered my experience to them," he said. Indeed, during Davis' first year, Zaremberg appeared to be one of Davis' closest advisers outside government — a circumstance that surprised and angered some Republicans.

But Zaremberg's relationship pleased those in the chamber who sought an aggressive, pragmatic leader, and Zaremberg, ignoring the flak, maintained his closeness to Davis until the beginning of the second term.

"He's not easily rattled," Poochigian said.

John Howard is senior editor of California Journal. *Send comments to* **comments@californiajournal.org**

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Breaking with longstanding tradition, the California Chamber of Commerce endorsed its first-ever candidate for governor — Arnold Schwarzenegger — in last year's historic recall election. Since then, the chamber and the reform-minded governor have become best buddies, a partnership that delights their pro-business allies and appalls their critics. By John Howard

As the clock ticked down toward Election Day 2003, two things were happening: Arnold Schwarzenegger was jittery and the California Chamber of Commerce had a big, big problem.

The chamber, a potent political force in California for 75 years, had never endorsed a candidate for statewide office. Endorsements were anathema to a chamber membership that straddles the political horizon from left to right to far right. But it has a hefty midsection and, above all, cherishes a flourishing economy and businesses that make money. More simply put: Profits before politics.

"Some local races maybe, but never a statewide office," said Chamber President Allan Zaremberg.

But that was about to change.

The state's best-known business lobby, with 14,000 companies as members, decided to break tradition. In part, that was because Arnold Schwarzenegger, hoping to oust Democratic Governor Gray Davis in the historic recall election, had aggressively and frequently demanded the endorsement. A successful businessman himself, Schwarzenegger sought a political alliance with the chamber. "It was pure 'Arnold.' He was very aggressive," one chamber member said. "There's a real affinity there," said another.

But most importantly, it was because of a statement that Democratic Lieutenant Governor Cruz Bustamante gave in kicking off his own campaign for Davis' job. Bustamante announced a "tough love" budget bailout in which he urged $8 billion in new taxes and fees, with the wealthy carrying the biggest share. He sought new levies on commercial property, new social service costs, a myriad of new fees on businesses, a revision of state income tax laws to include 10 percent and 11 percent brackets and new tobacco taxes. Liberals rejoiced, business interests quailed and the chamber was not pleased.

Sensing Armageddon in Bustamante, the chamber struggled over whether to buck tradition and back a gubernatorial candidate.

The debate was joined behind closed doors in the chamber headquarters at 13th and K streets in Sacramento, and in conference calls around the state. Board members weighed in. Schwarzenegger, naturally aggressive, called personally, twice, seeking the chamber's backing, according to one account.

Cozy with Davis

The state Chamber, rightly, had long been viewed as a handmaiden of Republicans, but it had cozied up to Davis during his first term. Both benefited from the relationship — Davis polished his image as a pro-business centrist and the chamber got access and a sympathetic ear in Davis' new administration. And although the Davis-Chamber alliance was viewed with surprise in Sacramento, few eyebrows were raised around the state. The local chambers

WHAT'S GOOD FOR BUSINES

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have long been more pragmatic than the Sacramento flagship, and they bristle at the notion that they march lockstep with the state chamber.

But during Davis' truncated second term, the alliance withered.

Davis veered left to shore up his labor base — he signed major legislation providing family leave and health care to workers, among other bills — and the chamber peeled off. Some chamber members breathed a sigh relief, believing that by courting Davis, the influential business group had abandoned its core values. Others complained that the chamber needed to win allies in the governor's office, tradition or not.

In the end, in September 2003, the chamber announced its endorsement of Schwarzenegger, which was crucial in cementing the chamber's relationship with the new governor. A year later, the governor and Zaremberg remain kindred political spirits (see profile, page 44).

Although long a political force, the chamber had now reached primacy in the Capitol as an advocate of state business policy.

"On the whole, they represent the business community, both large and small, the mom-and-pop businesses and Wal-Mart, and people take that into account," said Senate Republican Leader Dick Ackerman (R-Irvine).

Deep roots, big influence

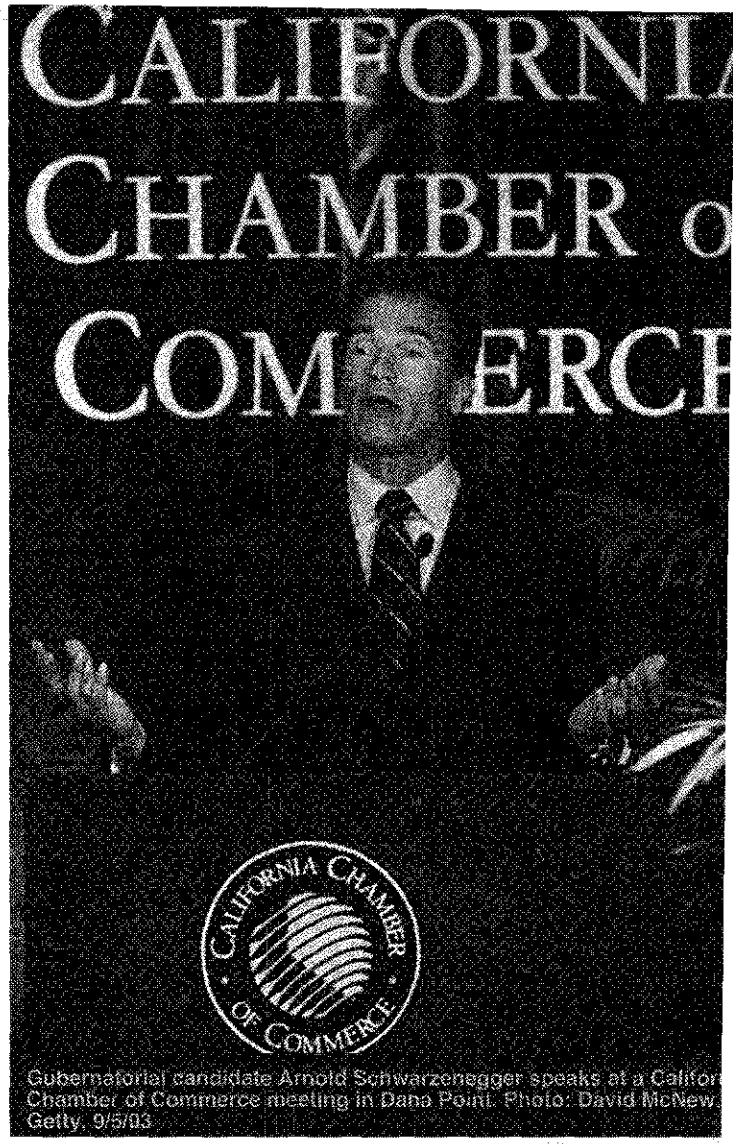
The group's roots are deep. It evolved from the State Board of Trade in the 1890s, which encouraged immigration to California. In 1910, the Board of Trade merged with the Manufacturers and Producers Association and the California Promotion Association and became the California Development Board, which advocated California's business growth. In 1929, after other incarnations, the modern chamber was formed as the California State Chamber of Commerce, Agriculture and Industry.

It wields enormous influence, partly because it knows how government works; partly because Schwarzenegger and Zaremberg are simpatico, philosophically and personally; and partly because business-linked legislation lives or dies with a thumbs up — or down — from the chamber.

For Davis, viewed by chamber members with deep [illegible], the chamber merely offered political cover and [illegible] to campaign contributions. But for Schwarzenegger, the chamber's pro-business philosophy [illegible] his own gut feeling.

[illegible] truly helps to have a governor that shares your [illegible] Look our success in the last 12 months on issues [illegible] have a governor who ran on an agenda of [illegible] California," Zaremberg said.

[illegible] "improving California" means is a subjective [illegible] much disputed by the chamber's political critics, including consumer groups and trial lawyers. But Zaremberg is accurate when he says that the chamber and Schwarzenegger are in sync. Of two dozen bills recently identified as top-priority "job killers," the chamber won on all of them, either through vetoes by the governor



Gubernatorial candidate Arnold Schwarzenegger speaks at a Californ Chamber of Commerce meeting in Dana Point. Photo: David McNew, Getty, 9/5/03

or by being blocked in the Legislature's committees or by floor votes. Those included Schwarzengger's veto of a minimum wage bill and his veto of major legislation to reregulate California's electricity market. He also vetoed a bill allowing Californians to purchase cheaper drugs from Canada.

"What was the rationale for that, other than [U.S.] drug companies and the chamber were against the bill?" said Leonard Goldberg, a Sacramento consumer lobbyist.

The chamber's two biggest defeats, one bill establishing a family leave program for workers and another, SB 2 by former Senate President pro Tempore John Burton (D-San Francisco) to set up employer-financed health care for workers, had been signed by Davis before he left office. Family leave remains intact; SB 2 was rejected by voters in a referendum (Proposition 72, page 34) bankrolled by the chamber, among others.

Too, Schwarzenegger genuinely likes Zaremberg.

In May, Schwarzenegger hurried home from a Middle East tour — he flew thorough the night and landed at 5 a.m. — to attend a chamber-hosted breakfast in Sacramento. His surprise appearance — Schwarzenegger, ever the Hollywood showman, knows how to stage an entrance for maximum impact — rocked the event.

During the meal, Schwarzenegger noted that just 18

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hours before, "I was with the King. Not you, Allan Zaremberg. Gee, what's the matter with you? With the King of Jordan, I'm talking about," the governor told a laughing audience. But Schwarzenegger's message was clear: He considered Zaremberg a major figure in Sacramento. That came as no surprise to Capitol watchers: The day he was inaugurated, Schwarzenegger hastened to a chamber luncheon hosted by Zaremberg two blocks from the Capitol to proclaim his fealty and acknowledge the chamber's political support.

"The chamber is very talented, very well led, and it knows how to present its position well. They have not won everything, but I don't think they expected to," said George Kieffer, a Democrat, a member of the Manatt Phelps political law firm and the chairman of the Los Angeles Area Chamber of Commerce, a 116-year-old organization that now represents 1,500 businesses. Kieffer also is a member of the state chamber's board of directors, and chairs that group's education committee.

"The chamber," Kieffer added, "has a long memory. It knows a lot about the governor and has people within it who have come out of government and who have an appreciation of government. They have provided counsel and advice to all governors."

Close ties

The link between the chamber and the administration goes both ways and encompasses key staff.

Schwarzenegger's legislative secretary, a pivotal position that rides herd on bills in the Legislature, is Richard Costigan, a former chamber lobbyist. Schwarzenegger's deputy chief of staff—one of several deputies—is Cassandra Pye, also a former chamber executive. Yolanda Benson, Schwarzenegger's deputy legislative aide, formerly handled legislation at the chamber. Another deputy staff chief, Donna Lucas, was a successful public-relations executive who served on the chamber's board of directors. Zaremberg himself served nine years for Republican governors George Deukmejian and Pete Wilson.

But those who have felt the chamber's sting believe the links between private enterprise and the Schwarzenegger administration are far too close, noting that companies have wined and dined key members of Schwarzenegger's staff — tickets to the Sacramento Kings' home games are a popular item, for example. And they argue that the chamber doesn't represent business, it represents *big* business, and that the political goals of large corporations, some of whom have contributed to Schwarzenegger's political treasury, differ dramatically from those of ordinary Californians.

"For example, the chamber took a position during the electricity crisis advocating more deregulation as a cure-all. That's a nice marketing message for the big electricity users who could strike their own independent deals with suppliers at much discounted rates, but not for small or even medium-sized businesses who do not have the leverage to negotiate with the Enrons of the world for lower

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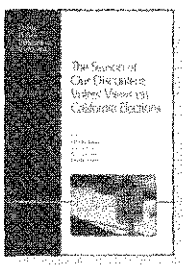

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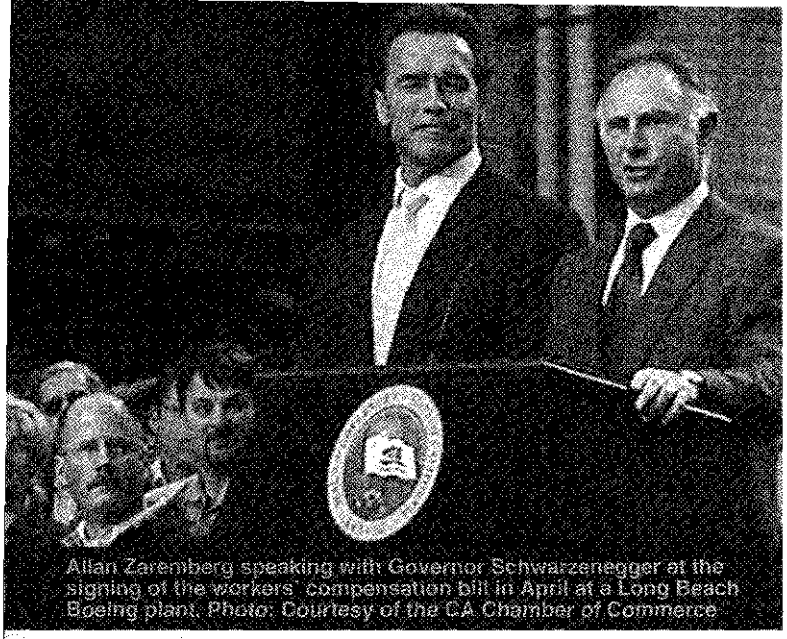

Allan Zaremberg speaking with Governor Schwarzenegger at the signing of the workers' compensation bill in April at a Long Beach Boeing plant. Photo: Courtesy of the CA Chamber of Commerce

prices. Those businesses were stuck on the grid just like the residential users," said Senator Joe Dunn (D-Santa Ana), who headed an exhaustive Senate investigation into electricity market manipulation and who plans to run for state attorney general in 2006.

Dunn, a lawyer who often takes on powerful corporations, has authored bills at the top of the chamber's hit list, including one that empowered workers to sue companies for labor violations.

"That [energy] position was the ultimate hypocrisy. The truth is that the chamber really represents very large businesses and not, as it likes to say, the small and medium-sized businesses. The chamber really is at odds with small business organizations," Dunn added.

But at least one major business advocate says the distinction between large and small business representation is largely artificial.

"I cannot recall a specific instance when we took a position different than the chamber," said Michael Shaw, assistant state director of the 61-year-old National Federation of Independent Businesses, which represents 35,000 California companies averaging a half-dozen employees each, and about 600,000 companies nationwide.

The NFIB, while closely identified with its aggressive Washington, D.C., lobbying operation, actually is headquartered in Nashville, Tennessee.

"[O]ur structure is different than the chamber's. A lot of [chamber companies are privately held; they are very small. [O]ur members directly vote on our policies that we advocate [in the] Capitol, while the chamber has a committee that [makes] a recommendation to the full board [of directors]. We have [a] minimum contribution of $2,400 per year, and none of [our members] would expect to have more influence [by p[aying] more, although we encourage donations in addition [to dues]. No member has significantly more influence than [any] other member," said Shaw, a former chamber employee.

"We [have] to stay more on small-business issues. We have done a survey of our members for the past 18 years, and every year but one, the No. 1 issue was health care. We worked very hard with the chamber on SB 2," he said.

Shaw acknowledged the chamber's effectiveness and close ties to the Schwarzenegger administration, "but I don't feel that there has ever been any discrimination against us when we called on the governor's office."

For its part, the chamber says that four out of five of its members are companies with 100 employees or less, and that its members employ a fourth of California's workers. The revenue breakdown from its dues structure, including what percentage of the budget is derived from large corporations, is confidential, although Zaremberg said a majority of the chamber's revenue comes from small businesses.

Dues are pegged in part to a company's size, its level of involvement in the chamber's political programs and its degree of access to chamber services. Those include a popular program offering general legal advice to small companies seeking help with workers' compensation and employee health care, among other issues. Dues range upward from about $300 annually to specialty memberships — dubbed "Advocate," "Executive" and "Stakeholder" — that cost between $10,000 and $100,000 a year. Although it is not spelled out publicly, the high-end memberships allow members to, among other things, attend chamber-sponsored meetings with the Capitol's powerful elite and other select functions to get their individual voices heard.

For many companies, the dues are simply a routine business expense. "I paid $500 a year, and it was basically a networking thing. I met with people a couple of times a year who were in a position to hire my company," said one veteran consultant. Many of those high-end members accompanied — and helped finance — the governor's recent trade mission to Japan.

According to the chamber's harshest critics, the dues structure is simply a sophisticated version of "pay to play," in which the most powerful, well-heeled companies buy political leverage.

"The ideological and corporate position of the chamber is to serve the highest-paying interest. The California chamber is more properly the 'Corporate Chamber of Commerce,' reflecting a distinct Republican ideological bent and a policy driven by its corporate benefactors," said Doug Heller, of the Santa Monica-based Foundation of Taxpayer and Consumer Rights, a group that has long been at loggerheads with the chamber.

Zaremberg says it's not so simple.

"I have a fiduciary duty to my members; I'm certainly not going to ignore that. But I feel just as strongly that I owe a duty to the public interest of California. Whether Gray Davis is governor or Arnold Schwarzenegger or Pete Wilson, California business and California are always served by an administration that is receptive to improving the economy," he said. "I'd like to think I'm there to offer any help I can."

John Howard is senior editor of California Journal. *Send comments to* **comments@californiajournal.org**

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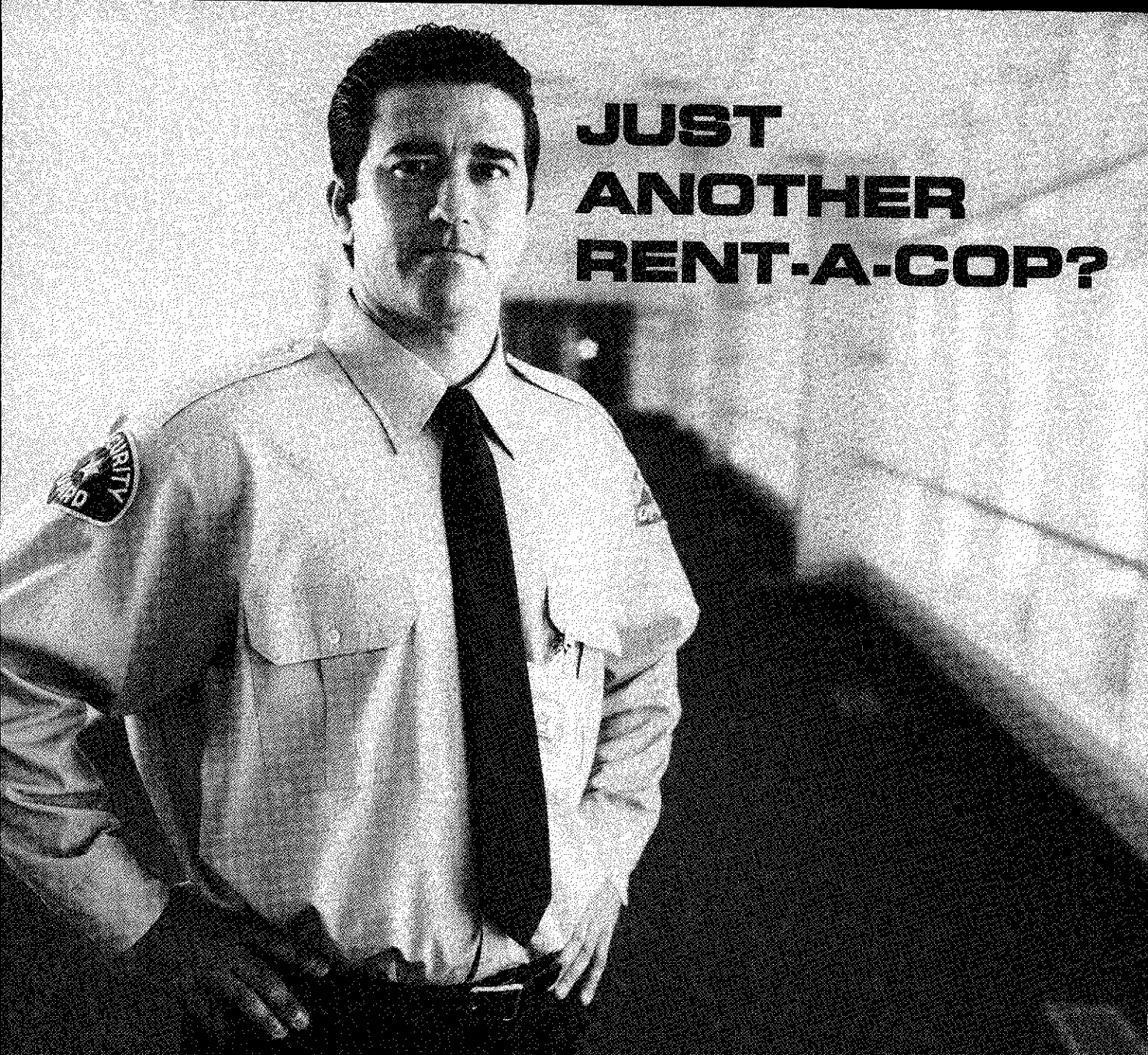

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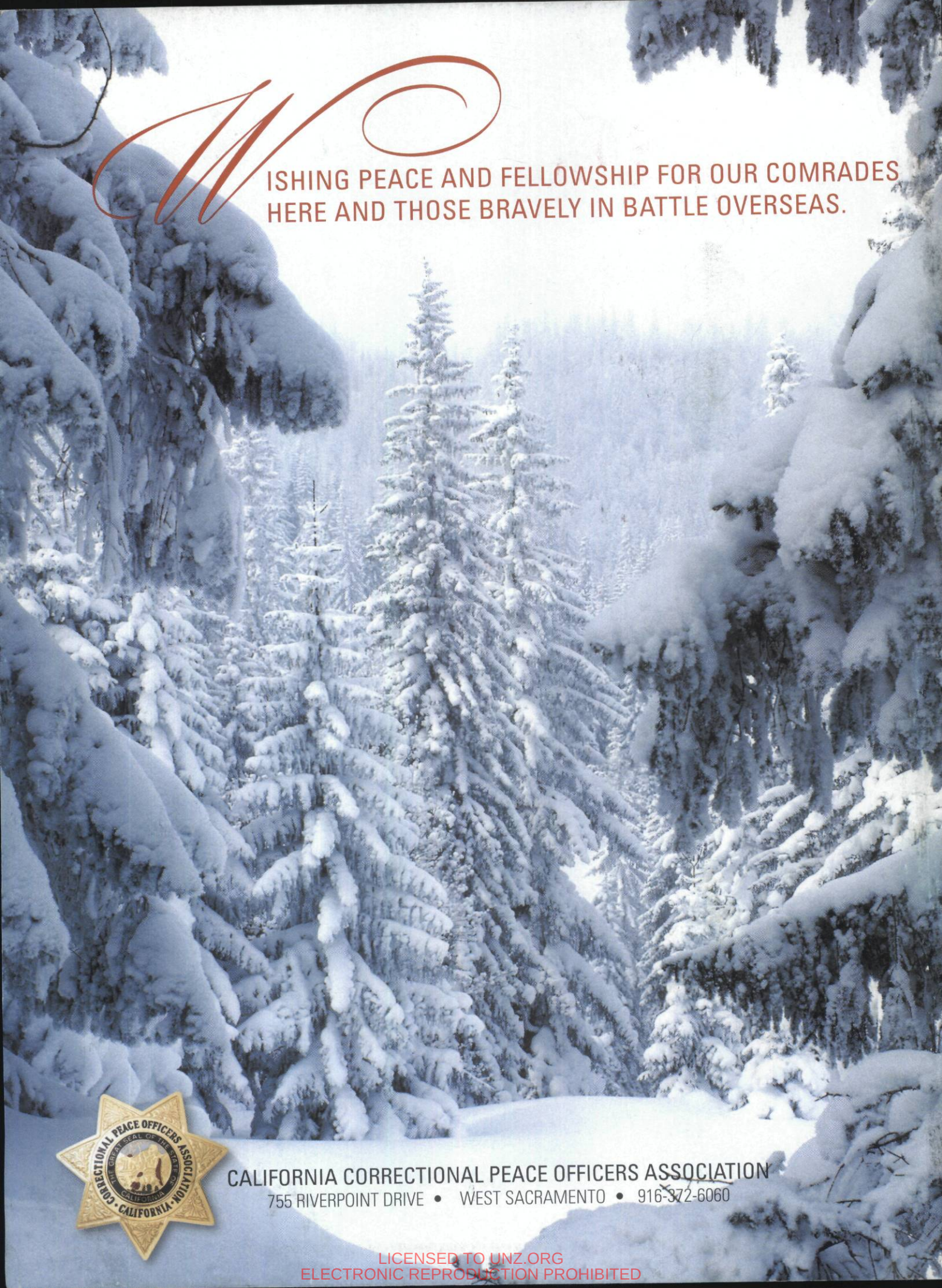
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